

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other				Local Government Name		County	
Audit Date		Opinion Date		Date Accountant Report Submitted to State:			

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☐ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☐ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☐ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☐ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☐ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☐ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☐ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			
Reports on individual federal financial assistance programs (program audits).			
Single Audit Reports (ASLGU).			

Certified Public Accountant (Firm Name)				
Street Address		City	State	ZIP Code
Accountant Signature			Date	

CHARTER TOWNSHIP OF SPRINGFIELD

REPORT ON AUDIT OF  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2004

## **CHARTER TOWNSHIP OF SPRINGFIELD**

### **TOWNSHIP OFFICIALS**

Supervisor – Collin Walls  
Clerk - Nancy Strole  
Treasurer – Jamie Dubre

### **BOARD OF TRUSTEES**

Jamie Dubre  
Mark Cooper  
David Hopper  
Roger Lamont  
Nancy Strole  
Dennis Vallad  
Collin Walls

### **LEGAL COUNSEL**

Adkison, Need & Allen, P.L.L.C.

### **TOWNSHIP AUDITORS**

Pfeffer, Hanniford & Palka  
Certified Public Accountants

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**PFEFFER ■ HANNIFORD ■ PALKA**  
*Certified Public Accountants*

**John M. Pfeffer, C.P.A.**  
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February 10, 2005

Board of Trustees  
Charter Township of Springfield  
12000 Davisburg Road  
Davisburg, Michigan 48350

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Charter Township of Springfield as of and for the year ended December 31, 2004, which collectively comprise Charter Township of Springfield's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Charter Township of Springfield's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Charter Township of Springfield as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 10, the Township has implemented a new financial reporting model as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of December 31, 2004.

The Management's Discussion and Analysis and other required supplementary information on pages 8 through 13 and 39 through 42 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Charter Township of Springfield's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, such as the combining statements and individual fund statements, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Pfeffer, Hanniford & Palka, P.C.*

**PFEFFER, HANNIFORD & PALKA**  
Certified Public Accountants

MANAGEMENT  
DISCUSSION  
AND  
ANALYSIS



## Management Discussion and Analysis December 31, 2004

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Within this section of the Charter Township of Springfield's annual financial report, we are providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended December 31, 2004. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary functions and, unless otherwise noted, component units reported separately from the primary government are not included.

### Overview of the Financial Statements

The Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

### ***Government-wide Financial Statements***

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. The Capital Assets (land, buildings, equipment, etc.) are reported at original cost less depreciation and therefore this figure does not necessarily reflect Market Value.

The second government-wide statement is the Statement of Activities which reports how the Township's net assets changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Governmental activities include such activities as general government, fire, police, parks, buildings and planning departments. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds the Township Board is responsible for and, additionally, funds which the Township handles but are not under the control or jurisdiction of the Township Board (component units). Parks and Recreation is not shown as a "Component Unit" because they receive the majority of their funding from the General Fund and State Law requires their budgets and budget amendments to be approved by the Township Board.

## ***Fund Financial Statements***

A fund is an accountability unit used to segregate resources for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements later in this report.

The Township has two kinds of funds:

*Governmental funds* such as General Fund, Fire Fund and Police Fund are reported in the financial statements. These statements report short-term fiscal conditions focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net assets.

*Fiduciary funds* such as tax fund are reported in the fiduciary fund financial statements, but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

## ***Notes to the financial statements***

The accompanying notes to the financial statements provide information to assist with a full understanding of both the government-wide and fund financial statements.

## ***Other information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining, individual statements and schedules for non-major funds are presented in a subsequent section of this report.

## **Financial Analysis of the Township as a Whole**

The Township has implemented the new financial reporting model used in this report beginning with the current fiscal year ended December 31, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Township as a whole.

Under GASB 34 the assets of Springfield Township exceeds its liabilities at the close of the fiscal year by \$8,267,208. Of this amount, \$3,911,291 is not invested in Capital Assets and may be used to meet the township's ongoing obligations.

As of the close of the current fiscal year under accounting standards prior to GASB 34, Township's governmental funds reported combined ending fund balances of \$3,850,185, an increase of \$620,126 in comparison with the prior year. Approximately 75% of the total amount, \$2,890,748 is available for spending at the township's discretion (unreserved fund balance).

At the end of the current fiscal year under accounting standards prior to GASB 34, unreserved fund balances were; General Fund - \$1,122,133 Fire Fund - \$798,556 Police Fund - \$366,848 Parks and Shiawassee Funds - \$275,282.

The following tables provide a summary of the Township's financial activities and changes in net assets:

### Summary of Net Assets

	Governmental Activities	Component Unit - Library	Component Unit - Lake Boards
Current and other assets	\$ 6,747,104	\$ 269,536	\$ 1,003,979
Capital assets, net of depreciation	8,500,917	-	-
Total assets	15,248,021	269,536	1,003,979
Other liabilities	2,835,813	248,541	623
Long-term liabilities	4,145,000	-	150,000
Total liabilities	6,980,813	248,541	150,623
Net assets:			
Invested in capital assets, net of related debt	4,355,917	-	-
Unrestricted	3,911,291	20,995	853,356
Total net assets	\$ 8,267,208	\$ 20,995	\$ 853,356

#### Notes:

1. Although books periodicals and other materials in the Library have an estimated replacement cost of over \$1,000,000 they are not listed as an asset because the township Library Board has adopted a capitalization policy of individual items costing under \$10,000 are not capitalized.
2. The Civic Center is reported as a Capital Asset as a Governmental Activity. Even though no division of the asset has been made for this audit report a major portion of the asset includes the Library Facility, furniture and equipment because it was part of the original construction project.

## Summary of Changes in Net Assets

	Governmental Activities	Component Units -	
		Library	Lake Boards
Revenues:			
Program revenues			
Charges for services	\$ 689,569	\$ 10,572	\$
Capital grants and contributions	123,597		
Operating grants and contributions	127,966	7,163	286,988
General revenues			
State shared revenues	909,006	12,286	
Property taxes	2,506,770	233,211	
Interest income	90,837	1,886	19,240
Other revenues	182,716	19,145	
Gain on sale of capital assets	209,174		
<b>Total revenues</b>	<u>4,839,635</u>	<u>284,263</u>	<u>306,228</u>
Expenses			
General government	1,824,440		
Library		305,893	
Fire protection	616,645		
Police protection	1,154,000		
Parks and recreation	474,702		
Public works	190,263		
Interest on long-term debt	216,118		
Lake boards			253,644
<b>Total expenses</b>	<u>4,476,168</u>	<u>305,893</u>	<u>253,644</u>
Changes in net assets	363,467	(21,630)	52,584
Beginning net assets	7,796,946	42,625	800,772
Prior period adjustment	106,795		
Ending net assets	<u>\$ 8,267,208</u>	<u>\$ 20,995</u>	<u>\$ 853,356</u>

The overall financial status for the Township improved due to the sale of the previous Township Hall property. The Township received \$210,000 for the sale of the property previously used for the Township Hall. Book value for this item was \$1 due to the age of the building. The net gain on the sale totaled \$209,174.

The Library Fund was previously included as part of the financial statements as a special revenue fund. Due to its autonomous nature it is now being reported as a separate component unit within the Charter Township of Springfield's financial statements.

Several Lake Boards were previously included as part of the financial statements in a special revenue fund called Lake Improvement Fund. Due to their autonomous nature they are now combined as a separate component unit within the Charter Township of Springfield's financial statements.

See Footnote #2 regarding the component units for more detail.

### Financial Analysis of the Township's Funds

The Township has 3 major funds for the year ended December 31, 2004. These funds include:

- General Fund
- Fire Fund
- Police Fund

The General Fund added \$333,302 to its fund balance in large part due to the sale of land where the prior Township hall was located. The General Fund also made \$444,400 of operating transfers to fund the operations of the parks and recreation department.

The Fire Fund showed increased activity due to a grant of 107,876 received for the purchase of a new communication system for the fire department.

The final major fund, the Police Fund, has very little activity because its sole function is paying for contracted police protection.

### General Fund Budgetary Highlights

The Township adopted its budget over two months before the beginning of the fiscal year. Amendments were made during the year to adjust for changes. Budget appropriations exceeded actual expenditures by \$174,448 for the year.

### Capital Asset and Debt Administration

The Township paid \$140,000 of principal and \$216,118 of interest to repay the contract and bonds payable debt held for Civic Center Construction. Also, one of the lake boards which is accounted for as a separate component unit, borrowed \$150,000 to finance a project during the year.

The Township deems all capital purchases of \$10,000 or greater as capital assets. During the year, total capital asset acquisitions totaled \$86,218. Capital purchases included \$17,835 for a building department vehicle, \$55,001 for a fire vehicle, and \$13,382 for building/land improvements for the parks and recreation department.

### Economic Conditions and Future Activities

Springfield Township benefits economically from its location within Oakland County. The Township's tax base has been stable and increasing due to the residential development within the community and recent commercial and industrial growth. We anticipate no major new developments over the next year. Although Michigan's economy and the financial condition of the State is not encouraging our location along with other communities within Oakland County should allow us to weather the storm.

In the past State Shared Revenue has been a major portion of our General Fund receipts. In 2001 we received \$1,143,518 in State Shared Revenue. By the end of 2004 our State Shared Revenue has reduced to just under \$910,000. That reduction of over \$233,000 during a three (3) year period was anticipated and did not result in cuts from our budget. During that same three (3) year period the General Fund Property Tax Revenue only increased \$52,200 from \$480,300 to \$532,500.

The combination of projected further reductions in State Shared Revenue with no anticipated significant increase in development and new tax base over the next couple of years requires the Township to continue it's historical, conservative approach to budgeting. The Township has sufficient fund balance in each of it's major funds to help maintain current levels of service and slight expansion if required.

### Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and comply with finance-related recommendations. If you have any further questions about this report or request additional information please contact the Charter Township of Springfield at 12000 Davisburg Rd., Davisburg, Michigan, 48350.

BASIC  
FINANCIAL STATEMENTS

GOVERNMENT - WIDE  
FINANCIAL STATEMENTS



CHARTER TOWNSHIP OF SPRINGFIELD  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2004

	<u>Governmental Activities</u>	<u>Component Unit Library</u>	<u>Component Unit Lake Boards</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,835,279	\$ 44,093	\$ 211,536
Receivables			
Special assessments	51,707		744,924
Taxes	1,709,019	159,146	
Intergovernmental	721,970	61,686	47,519
State shared revenues	315,768		
Accounts - other	93,378	4,611	
Prepaid expenses	19,983		
Capital assets			
Land	1,244,028		
Buildings and improvements	7,531,914		
Vehicles and equipment	1,369,555		
Construction in progress - Parks - restroom	2,000		
Less: accumulated depreciation	<u>(1,646,580)</u>		
Total assets	<u>15,248,021</u>	<u>269,536</u>	<u>1,003,979</u>
<b>LIABILITIES</b>			
Accounts payable - trade	169,364	479	623
Accounts payable - intergovernmental	2,484		
Deferred revenues	2,663,965	248,062	
Contract payable (Lake Board and County)			150,000
Bonds payable	<u>4,145,000</u>		
Total liabilities	<u>6,980,813</u>	<u>248,541</u>	<u>150,623</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	4,355,917		
Unrestricted	<u>3,911,291</u>	<u>20,995</u>	<u>853,356</u>
Total net assets	<u>\$ 8,267,208</u>	<u>\$ 20,995</u>	<u>\$ 853,356</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF SPRINGFIELD  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2004

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Contributions</u>	<u>Capital Grants and Contributions</u>
GOVERNMENTAL ACTIVITIES				
General government	\$ (1,824,440)	\$ 573,049	\$ 21,756	\$
Fire protection	(616,645)	24,261		107,876
Police protection	(1,154,000)	16,205		
Parks and recreation	(474,702)	73,704	12,483	15,721
Public works	(190,263)	2,350	93,727	
Interest on long-term debt	(216,118)			
Total governmental activities	<u>\$ (4,476,168)</u>	<u>\$ 689,569</u>	<u>\$ 127,966</u>	<u>\$ 123,597</u>
Component Units				
Library	\$ (305,893)	\$ 10,572	\$ 7,163	
Lake boards	(253,644)		286,988	
Total component units	<u>\$ (559,537)</u>	<u>\$ 10,572</u>	<u>\$ 294,151</u>	<u>\$</u>

General Revenues:  
Property taxes  
State shared revenues  
Investment earnings  
Penal fines  
Cable royalties  
Rental income  
Other income  
Disposal of assets

Total general revenues

Change in net assets

Net assets, January 1, 2004

Prior period adjustment

Net assets, December 31, 2004

The notes are an integral part of the financial statements.

Net (Expenses) Revenue  
and Changes in Net Assets

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Governmental Activities	Component Units	
	Library	Lake Boards
\$ (1,229,635) \$		
(484,508)		
(1,137,795)		
(372,794)		
(94,186)		
(216,118)		
(3,535,036)		
	(288,158)	
		33,344
	(288,158)	33,344
2,506,770	233,211	
909,006	12,286	
90,837	1,886	19,240
	19,117	
106,560		
66,048		
10,108	28	
209,174		
3,898,503	266,528	19,240
363,467	(21,630)	52,584
7,796,946	42,625	800,772
106,795		
<u>\$ 8,267,208</u>	<u>\$ 20,995</u>	<u>\$ 853,356</u>

FUND  
FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF SPRINGFIELD  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2004

	General Fund	Fire Fund	Police Fund	Other Non-major Funds	Totals
<u>ASSETS</u>					
ASSETS					
Cash and cash equivalents	\$ 1,637,203	\$ 924,170	\$ 627,366	\$ 646,540	\$ 3,835,279
Receivables					
Taxes receivable	379,358	340,090	753,423	236,148	1,709,019
Special assessments				51,707	51,707
State shared revenues	315,768				315,768
Accounts receivable - other	61,620			13,585	75,205
Due from other funds	178,602	131,833	292,073	100,947	703,455
Advance to other funds	18,515				18,515
Prepaid expenditures	19,983				19,983
Accrued receivable fire runs		18,173			18,173
Total assets	<u>\$ 2,611,049</u>	<u>\$ 1,414,266</u>	<u>\$ 1,672,862</u>	<u>\$ 1,048,927</u>	<u>\$ 6,747,104</u>
<u>LIABILITIES AND FUND BALANCE</u>					
LIABILITIES					
Accounts payable	\$ 19,640	\$ 3,188	\$ 131,589	\$ 14,947	\$ 169,364
Deferred revenue	591,330	530,118	1,174,425	429,198	2,725,071
Due to other funds	913			1,571	2,484
Total liabilities	<u>611,883</u>	<u>533,306</u>	<u>1,306,014</u>	<u>445,716</u>	<u>2,896,919</u>
FUND BALANCE					
Unreserved	1,122,133	798,556	366,848	603,211	2,890,748
Reserved for road maintenance	328,696				328,696
Reserved for building and equipment		82,404			82,404
Reserved for Civic Center	548,337				548,337
Total fund balance	<u>1,999,166</u>	<u>880,960</u>	<u>366,848</u>	<u>603,211</u>	<u>3,850,185</u>
Total liabilities and fund balance	<u>\$ 2,611,049</u>	<u>\$ 1,414,266</u>	<u>\$ 1,672,862</u>	<u>\$ 1,048,927</u>	<u>\$ 6,747,104</u>

The notes are an integral part of the financial statements.

**PFEFFER, HANNIFORD & PALKA**  
*Certified Public Accountants*

Component Units	
Library Funds	Lake Board Funds

\$ 44,093	\$ 211,536
159,146	
	744,924
4,611	
61,686	47,519

<u>\$ 269,536</u>	<u>\$ 1,003,979</u>
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\$ 479	\$ 623
248,062	815,462

<u>248,541</u>	<u>816,085</u>
----------------	----------------

20,995	187,894
--------	---------

<u>20,995</u>	<u>187,894</u>
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<u>\$ 269,536</u>	<u>\$ 1,003,979</u>
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CHARTER TOWNSHIP OF SPRINGFIELD  
RECONCILIATION OF STATEMENT OF NET ASSETS  
OF GOVERNMENTAL FUNDS AND COMPONENT UNITS TO THE BALANCE SHEET  
DECEMBER 31, 2004

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balance per balance sheet	\$ 3,850,185
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Cost of capital assets	\$10,147,497
Depreciation	<u>(1,646,580)</u>
Capital assets net of depreciation	8,500,917
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. This includes:	
Bonds payable	(4,145,000)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed.	<u>61,106</u>
Net assets of governmental activities	<u>\$ 8,267,208</u>

Amounts reported for the Lake Boards - Component Unit in the statement of net assets are different because:

Total fund balance per balance sheet	\$ 187,894
Some liabilities are not due and payable in the current period and therefore are not reported in the fund. This includes:	
Contract payable - due to Oakland County	(150,000)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed.	<u>815,462</u>
Net assets of Lake Boards - Component Unit	<u>\$ 853,356</u>

There were no reconciling items for the Component Unit - Library

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF SPRINGFIELD  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
ALL SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	General Fund	Fire Fund	Police Fund	Other Non-major Fund	Totals
<u>REVENUES</u>					
REVENUES					
Grant	\$ 21,756	\$ 107,876	\$	\$ 15,721	\$ 145,353
Taxes	535,566	497,281	1,105,050	368,873	2,506,770
Business license permits	787			283,755	284,542
State shared revenues	909,006				909,006
Cable franchise fees	77,164			29,396	106,560
Special assessments	1,305			41,832	43,137
Special assessment interest				4,118	4,118
Charges for services	288,507	24,261	16,205	76,054	405,027
Penal fines					
Rent	33,146	753		32,149	66,048
Interest	34,750	29,428	13,038	9,502	86,718
Sale of fixed assets	210,000				210,000
Contributions - road	167,630				167,630
Contributions - unrestricted				12,483	12,483
Miscellaneous	51,657		179	466	52,302
Total revenues	<u>2,331,274</u>	<u>659,599</u>	<u>1,134,472</u>	<u>874,349</u>	<u>4,999,694</u>
EXPENDITURES					
Elected officials	454,587				454,587
General government	914,858				914,858
Public works and contractual services	183,983			6,280	190,263
Tax tribunal	144				144
Debt service				398,312	398,312
Parks				448,893	448,893
Fire		586,464			586,464
Police			1,154,000		1,154,000
Building department				331,458	331,458
Cable				7,384	7,384
Library					
Total expenditures	<u>1,553,572</u>	<u>586,464</u>	<u>1,154,000</u>	<u>1,192,327</u>	<u>4,486,363</u>
Excess (deficiency) of revenues over (under) expenditures	<u>777,702</u>	<u>73,135</u>	<u>(19,528)</u>	<u>(317,978)</u>	<u>513,331</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	(444,400)				(444,400)
Loan proceeds					
Transfers in				444,400	444,400
Total other financing sources (uses)	<u>(444,400)</u>			<u>444,400</u>	
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	333,302	73,135	(19,528)	126,422	513,331
FUND BALANCE, JANUARY 1, 2004	1,550,475	807,825	386,376	485,383	3,230,059
PRIOR PERIOD ADJUSTMENT	<u>115,389</u>			<u>(8,594)</u>	<u>106,795</u>
FUND BALANCE, DECEMBER 31, 2004	<u>\$ 1,999,166</u>	<u>\$ 880,960</u>	<u>\$ 366,848</u>	<u>\$ 603,211</u>	<u>\$ 3,850,185</u>



Component Units	
Library Fund	Lake Board Funds
\$ 4,611	\$
233,211	
12,286	
	171,253
	17,380
10,572	
19,117	
1,886	1,861
2,552	
28	
<u>284,263</u>	<u>190,494</u>
	253,644
<u>305,893</u>	
<u>305,893</u>	<u>253,644</u>
<u>(21,630)</u>	<u>(63,150)</u>
	150,000
	<u>150,000</u>
(21,630)	86,850
42,625	101,044
<u>\$ 20,995</u>	<u>\$ 187,894</u>



CHARTER TOWNSHIP OF SPRINGFIELD  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2004

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - governmental funds	\$ 513,331
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows:	
Capital outlay	\$ 86,218
Depreciation expense	<u>(258,217)</u>
Net	(171,999)
Repayment of bond and contract payable is an expenditure in the governmental funds, but the repayment deducts long-term liabilities in the Statement of Net Assets.	
Repayment of bonds payable	140,000
Principal received on special assessments are income as they are levied annually for governmental funds, but they are income when they are levied for the Statement of Activities	
Principal collected on assessments	(117,039)
The Statement of Activities reports a gain or loss on the sale of assets based on the proceeds received and the net book value of the assets at the time of sale.	
Proceeds on sale of assets	(210,000)
Book value of assets disposed	<u>209,174</u>
Net	<u>(826)</u>
Change in net assets of governmental activities	<u>\$ 363,467</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF SPRINGFIELD  
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE OF GOVERNMENTAL FUNDS - LAKE BOARDS -  
 COMPONENT UNIT TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2004

Amounts reported for Lake Boards - Component Unit activities  
 in the Statement of Activities are different because:

Net change in fund balances - Lake Boards Component Unit	\$ 86,850
-------------------------------------------------------------	-----------

Proceeds from long-term debt provide current financial  
 resources, but the issuing of debt increase long-term  
 liabilities in the Statement of Activities:

Contract payable - Oakland County	(150,000)
-----------------------------------	-----------

Principal received on special assessments are income as they  
 are levied annually for governmental funds, but they are income  
 when they are levied for the Statement of Activities:

Special assessments levied	286,988
Principal collected on assessments	<div style="border-top: 1px solid black;">(171,254)</div>

Change in assets of Lake Boards - Component Unit	<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 52,584</div>
--------------------------------------------------	--------------------------------------------------------------------------------------------

There were no reconciling items for the Component Unit - Library

NOTES  
TO  
FINANCIAL  
STATEMENTS

CHARTER TOWNSHIP OF SPRINGFIELD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Charter Township of Springfield was incorporated in 1836 and later became a Charter Township in 1986. The Township is located in southeast Michigan in North West Oakland County. The accounting policies of the Charter Township of Springfield conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

**A. BASIC FINANCIAL STATEMENTS**

In accordance with GASB Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental fund types are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Generally, the effect of interfund activity has been removed from the government-wide financial statements.

The government-wide Statement of Net Assets reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally, the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The government-wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expense between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

CHARTER TOWNSHIP OF SPRINGFIELD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Also, part of the basic financial statements are fund financial statements for the governmental funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures of fund category and of the governmental funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds are combined in a single column on the fund financial statements.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Fund accounts for the activities related to operating fire protection services. This fund is primarily supported through the collection of property taxes.

The Police Fund accounts for the activities related to operating police protection services. This fund is primarily supported through collection of property taxes.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The governmental fund financial statements are prepared on a modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, licenses, fees and permits, intergovernmental revenues, charges for services and interest.
- B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balances as a measure of available spendable resources.

CHARTER TOWNSHIP OF SPRINGFIELD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs.

C. BUDGETARY DATA

The Township approves budgets for the general and special revenue funds. Amendments made during the fiscal year are reflected in the budget column of the appropriate financial statement. The budgets are prepared on a modified accrual basis

For the year ended December 31, 2004, expenditures exceeded appropriations in two functional activities.

D. PROPERTY TAXES

The Township property tax is levied each December 1 on the taxable valuation of property located in the township as of the preceding December 31. Taxable values are established annually by the county and are equalized by the state. Real and personal property in the Township for the 2003 levy was assessed at an adjusted taxable value of \$541,098,249. Taxes are due and payable by February 28. Delinquent real and personal property taxes are returned to the County Treasurer for collection.

The Township levies the following millage:

General township operations	.9845
Police 1	.7178
Fire	.9194
Library	.4312
Police 2	1.3255
Civic Center Bond	<u>.6822</u>
Total millage	<u>5.0606</u>



CHARTER TOWNSHIP OF SPRINGFIELD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Michigan personal property tax assessments have been based, since the 1960's, on the use of one or more of several different multiplier tables formulated by the State Tax Commission against taxpayer reported original cost, depending on the assessor's view of the average life of the personal property. The State Tax Commission has indicated that it plans to reformulate the multipliers. The State Tax Tribunal has informally indicated that once the new multipliers are approved, it may allow them to be applied retroactively in pending personal property tax appeals.

E. CAPITAL ASSETS

Under GASB Statement No. 34, all capital assets whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets are defined as assets with an initial, individual cost of more than \$10,000 and an estimated useful life greater than one year. Land is considered a capital asset regardless of initial cost. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures and improvements	10 to 50 years
Machinery and equipment	5 to 40 years

Any capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

F. MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

CHARTER TOWNSHIP OF SPRINGFIELD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 2 - DESCRIPTION OF REPORTING ENTITY**

In accordance with Governmental Accounting Standards Board (GASB) statement number 39, all funds, agencies, and activities of Charter Township of Springfield as the primary government have been included in the financial statements.

**Component Units**

1. The Library operates under PA 164, thus the Library Board is independently elected, approves its own budget, maintains control over expenditures of all funds credited to the Library and has the responsibility to see that adequate funding is provided. The Township has chosen to report the Library Fund as a separate discretely presented component unit of the Township's audited financial statements.
2. The Township has several agreements with Lake Boards which are separate statutory Public Agencies originally established under Part 309 of the Michigan Natural Resources and Environmental Protection Act (PA 451 of 1994, as amended). The Lake Boards have authority to enter into contracts, borrow funds, determine special assessment districts, establish special assessment rolls and are authorized to direct the Township to collect special assessments. The Township only collects assessments and disburses funds on behalf of the Lake Boards. The Lake Boards administer and control the funds. Based on the above, management of the Township has classified the following Lake Boards as one combined fund and as a separate discretely presented component unit:

1. Big Lake
2. Dixie Lake
3. Susin Lake
4. Waumegah Lake

**NOTE 3 - INTERFUND BALANCES**

All interfund balances are short-term in character. Interfund transfers will be collected during the next reporting period. These amounts are reported as current assets in the governmental balance sheets. The amounts of interfund receivables and payables are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 178,602	\$ 913
Fire Fund	131,833	
Police Fund	292,073	
Lake Improvement Fund	49,775	
Library Fund	61,686	
Civic Center Fund	91,537	
Bridge Lake Road Fund	4,670	
Parks and Recreation Fund	2,484	
Current Tax Fund		808,694
Shiawassee Basin Fund		1,571
	<hr/>	<hr/>
Total	<u>\$ 812,660</u>	<u>\$ 812,660</u>

CHARTER TOWNSHIP OF SPRINGFIELD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 4 – EMPLOYEE RETIREMENT PLAN**

The Charter Township of Springfield has a salary reduction defined contribution plan. Eligible employees are defined as employees who have provided at least 1,000 hours of service in the previous twelve month period and have reached the age of twenty-one. Contributions to the plan are funded by both employer and employee.

Employee contributions must be a minimum of 2.5%. Employer contributions are fixed at 7.5% of compensation. Contribution information is as follows:

Total current year employee contributions	\$ 76,490
Total current year employer contributions	<u>56,416</u>
Total current year contributions	<u>\$ 132,906</u>
Total current covered payroll	<u><u>752,211</u></u>

These balances reflect contributions for the period from January 1, 2004 to December 31, 2004.

CHARTER TOWNSHIP OF SPRINGFIELD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2004 was as follows:

	Balance 1/1/04	Additions	Deletions	Balance 12/31/04
Building Department - Vehicles	\$ 20,279	\$ 17,835	\$	\$ 38,114
Fire Department Building	308,000			308,000
Fire Department equipment	124,000			124,000
Fire Department land	177,000			177,000
Fire Department - vehicles	1,028,822	55,001		1,083,823
Township land	2		1	1
Township hall	6,374,713		825	6,373,888
Parks equipment	90,269			90,269
Parks vehicles	33,349			33,349
Parks buildings	838,644	11,382		850,026
Parks construction in progress		2,000		2,000
Parks land	1,067,027			1,067,027
 Total capital assets	 10,062,105	 86,218	 826	 10,147,497
 Accumulated depreciation	 (1,388,363)	 (258,217)		 (1,646,580)
 Governmental activities capital asset, net	 <u>\$ 8,673,742</u>	 <u>\$ (171,999)</u>	 <u>\$ 826</u>	 <u>\$ 8,500,917</u>

Depreciation expense is being recorded in the government-wide statement of activities based upon the fund and activity utilizing the assets. The Township utilizes the straight line method to depreciate capital assets over their estimated useful lives. No debt is associated with these capital assets. Depreciation expense was recorded in the general government expense portion of the Statement of Activities. There was \$4,145,000 debt related to these capital assets.

CHARTER TOWNSHIP OF SPRINGFIELD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 6 - LONG-TERM DEBT**

	Balance 1/1/04	Additions	Deletions	Balance 12/31/04	Current Portion
The Township sold bonds to finance the construction of the Civic Center; Principle is payable in annual installment of \$95,000 to \$385,000 starting May 1, 2002 to 2020; interest is charged at 4.875% to 5.125% payable semi-annually.	\$ 4,285,000	\$	\$ 140,000	\$ 4,145,000	\$ 160,000

Future principle and interest payments to service the Civic Center debt of the Township:

	Bonds Payable	
	Principal	Interest
2005	\$ 160,000	\$ 204,858
2006	170,000	196,814
2007	180,000	188,282
2008	195,000	179,142
2009	205,000	169,392
2010 - 2014	1,220,000	676,588
2015 - 2019	1,630,000	317,087
2020	385,000	9,865
	<u>\$ 4,145,000</u>	<u>\$ 1,942,028</u>

	Balance 1/1/04	Additions	Deletions	Balance 12/31/04	Current Portion
The Waumegah Lake Board (included in Lake Board Funds - Component Unit) borrowed \$150,000 from Oakland County to finance project costs; principle is payable in annual installments of \$16,667; interest is charged at 1.73%; maturity date is March 1, 2013.	\$	\$ 150,000	\$	\$ 150,000	\$ 16,666

Future principle and interest payments to service the debt between the Lake Board and Oakland County:

	Contract Payable	
	Principal	Interest
2005	\$ 16,666	\$ 2,379
2006	16,666	2,090
2007	16,667	1,802
2008	16,666	1,514
2009	16,666	1,225
2010 - 2013	66,669	2,018
	<u>\$ 150,000</u>	<u>\$ 11,028</u>

CHARTER TOWNSHIP OF SPRINGFIELD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 7 - DEPOSITS WITH FINANCIAL INSTITUTIONS**

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit union, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal Agency obligation repurchase agreements; bankers; acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Township's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's deposits and investments are as follows:

<u>Deposits</u>	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Total</u>	<u>Bank Balance</u>
Insured	\$ 600,000	\$	\$ 600,000	600,000
Uninsured and uncollateralized	<u>3,598,403</u>	<u>1,536,403</u>	<u>5,134,806</u>	<u>11,414,609</u>
Total deposits	<u>\$ 4,198,403</u>	<u>\$ 1,536,403</u>	<u>\$ 5,734,806</u>	<u>\$ 6,036,725</u>

**NOTE 8 - CONTINGENT LIABILITIES**

The Township is involved in various legal actions arising in the normal course of business. In the opinion of management, such matters will not have a material effect upon the financial position of the Township.

**NOTE 9 - IMPLEMENTATION OF GASB STATEMENT NO. 34**

The Township has implemented the standards required by GASB Statement No. 34 for the year ended December 31, 2004. All required statements and disclosures have been included in the basic financial statements.

CHARTER TOWNSHIP OF SPRINGFIELD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 10 – RECONCILIATION OF FUND FINANCIAL STATEMENTS  
TO GOVERNMENT – WIDE FINANCIAL STATEMENTS**

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balance per balance sheet	\$ 3,850,185
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Cost of capital assets	\$10,147,497
Depreciation	<u>(1,646,580)</u>
Capital assets net of depreciation	8,500,917
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. This includes:	
Bonds payable	(4,145,000)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed.	<u>61,106</u>
Net assets of governmental activities	<u>\$ 8,267,208</u>

Amounts reported for the Lake Boards - Component Unit in the statement of net assets are different because:

Total fund balance per balance sheet	\$ 187,894
Some liabilities are not due and payable in the current period and therefore are not reported in the fund. This includes:	
Contract payable - due to Oakland County	(150,000)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed.	<u>815,462</u>
Net assets of Lake Boards - Component Unit	<u>\$ 853,356</u>

There were no reconciling items for the Component Unit - Library

CHARTER TOWNSHIP OF SPRINGFIELD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 10 – RECONCILIATION OF FUND FINANCIAL STATEMENTS  
TO GOVERNMENT – WIDE FINANCIAL STATEMENTS – (continued)**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - governmental funds	\$ 513,331
--------------------------------------------------	------------

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows:

Capital outlay	\$ 86,218	
Depreciation expense	<u>(258,217)</u>	
Net		(171,999)

Repayment of bond and contract payable is an expenditure in the governmental funds, but the repayment deducts long-term liabilities in the Statement of Net Assets.

Repayment of bonds payable	140,000
----------------------------	---------

Principal received on special assessments are income as they are levied annually for governmental funds, but they are income when they are levied for the Statement of Activities

Principal collected on assessments	(117,039)
------------------------------------	-----------

The Statement of Activities reports a gain or loss on the sale of assets based on the proceeds received and the net book value of the assets at the time of sale.

Proceeds on sale of assets	(210,000)	
Book value of assets disposed	<u>209,174</u>	
Net		<u>(826)</u>

Change in net assets of governmental activities	<u>\$ 363,467</u>
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The notes are an integral part of the financial statements.

**PFEFFER, HANNIFORD & PALKA**

*Certified Public Accountants*



CHARTER TOWNSHIP OF SPRINGFIELD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 10 – RECONCILIATION OF FUND FINANCIAL STATEMENTS  
TO GOVERNMENT – WIDE FINANCIAL STATEMENTS – (continued)**

Amounts reported for Lake Boards - Component Unit activities  
in the Statement of Activities are different because:

Net change in fund balances - Lake Boards Component Unit	\$ 86,850
-------------------------------------------------------------	-----------

Proceeds from long-term debt provide current financial  
resources, but the issuing of debt increase long-term  
liabilities in the Statement of Activities:

Contract payable - Oakland County	(150,000)
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Principal received on special assessments are income as they  
are levied annually for governmental funds, but they are income  
when they are levied for the Statement of Activities:

Special assessments levied	286,988
Principal collected on assessments	<u>(171,254)</u>

Change in assets of Lake Boards - Component Unit	<u>\$ 52,584</u>
--------------------------------------------------	------------------

There were no reconciling items for the Component Unit - Library

CHARTER TOWNSHIP OF SPRINGFIELD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE 11 – PRIOR PERIOD ADJUSTMENTS**

There were five adjustments made directly to fund balance (equity) as part of the audit. Explanations are as follows:

- A. In the Bridge Lake Road Fund prior year revenues (assessments) were overstated by \$8,594. The overstatement was corrected with a reduction to beginning fund balance.
- B. CDBG reimbursements were incorrectly deposited into the Parks and Recreation Fund and should have been deposited into the Shiawassee Basin Fund in the amounts totaling \$2,518. This occurred in the prior year. The correction involved increasing beginning fund balance for the Shiawassee Basin Fund and decreasing the beginning fund balance of the Parks and Recreation Fund.
- C. State shared revenues for the prior year were understated by \$157,583 because the November and December of 2003 payments from the State of Michigan (received by Township in March 2004) were not included in the receivable and revenue.
- D. In a prior year, fund balance was increased for the amount of a loan made by the General Fund to the Bridge Lake Road Fund. The offset was to a receivable “advance to other fund”. Each year as repayments are made from the Bridge Lake Road Fund to the General Fund the “advance to other funds” account and fund balance is decreased in the General Fund for the amount of repayment. The repayment in 2004 was \$42,194.

Net effect in General Fund for above:

State shared revenue adjustment	\$ 157,583
Repayment from Bridge Lake Road Fund	<u>(42,194)</u>
Net adjustment in General Fund	<u>\$ 115,389</u>

**NOTE 12 – FEDERAL GRANT ACTIVITIES**

The Township participates in a Community Development Block Grant (CDBG) consortium passed through Oakland County. The CDBG fiscal period is from May 1 to April 30. The County performs a full compliance audit on the Township’s program performance. The most recent audit has been completed for the period dated May 1, 2002 to April 30, 2003.

REQUIRED  
SUPPLEMENTARY  
INFORMATION

CHARTER TOWNSHIP OF SPRINGFIELD  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 557,000	\$ 557,000	\$ 560,605	\$ 3,605
Business license permits	1,425	1,425	787	(638)
State shared revenues	950,000	950,000	909,006	(40,994)
CDA reimbursement	3,000	3,000	21,756	18,756
Other local revenue	215,200	243,100	701,108	458,008
District courts	12,000	12,000	21,093	9,093
N.O.H. L.C. - contributions	2,000	2,000		(2,000)
Civic center	82,000	82,000	116,919	34,919
Total revenues	<u>1,822,625</u>	<u>1,850,525</u>	<u>2,331,274</u>	<u>480,749</u>
<b>EXPENDITURES</b>				
Trustees	16,850	16,850	12,920	3,930
Supervisor	82,250	87,550	84,512	3,038
Elections	28,970	33,470	29,563	3,907
Assessor	205,700	169,000	166,518	2,482
Clerk	190,200	203,100	197,221	5,879
Board of review	2,350	2,350	1,723	627
Treasurer	171,050	174,450	159,934	14,516
Buildings and grounds	4,500	4,500	1,568	2,932
Cemetery	10,600	10,600	10,168	432
Web site		27,450	18,240	9,210
General services	204,600	262,700	255,386	7,314
Office clerical	79,800	37,500	32,372	5,128
Civic center operations	121,100	180,600	186,082	(5,482)
Planning commission	17,800	17,800	16,361	1,439
Planning coordinator	39,900	31,000	30,344	656
Zoning board of appeals	6,650	6,650	5,383	1,267
Consultants	123,000	175,000	161,150	13,850
Public works	317,000	277,450	183,983	93,467
Fund reserves	40,000			
Capital outlay	41,250	10,000		10,000
Tax tribunal			144	(144)
Total expenditures	<u>1,703,570</u>	<u>1,728,020</u>	<u>1,553,572</u>	<u>174,448</u>
Excess (deficiency) of revenues over expenditures	<u>119,055</u>	<u>122,505</u>	<u>777,702</u>	<u>655,197</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Appropriation of prior year fund balance	182,100	182,100		(182,100)
Appropriation of prior year fund balance	150,000	150,000		(150,000)
Transfers (out)	(444,400)	(444,400)	(444,400)	
Total other financing sources and (uses)	<u>(112,300)</u>	<u>(112,300)</u>	<u>(444,400)</u>	<u>(332,100)</u>
Excess (deficiency) of revenues over expenditures and other financing sources and (uses)	<u>6,755</u>	<u>10,205</u>	<u>333,302</u>	<u>323,097</u>

CHARTER TOWNSHIP OF SPRINGFIELD  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
FUND BALANCE, JANUARY 1, 2004 BEFORE PRIOR PERIOD ADJUSTMENT	\$ 1,550,475	\$ 1,550,475	\$ 1,550,475	\$
PRIOR PERIOD ADJUSTMENT				
Budget appropriations	(332,100)	(332,100)		332,100
Other adjustments			115,389	115,389
FUND BALANCE, JANUARY 1, 2004 AFTER PRIOR PERIOD ADJUSTMENTS	<u>1,218,375</u>	<u>1,218,375</u>	<u>1,665,864</u>	<u>447,489</u>
FUND BALANCE, DECEMBER 31, 2004	<u>\$ 1,225,130</u>	<u>\$ 1,228,580</u>	<u>\$ 1,999,166</u>	<u>\$ 770,586</u>

CHARTER TOWNSHIP OF SPRINGFIELD  
FIRE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 495,000	\$ 495,000	\$ 497,281	\$ 2,281
Fema grant	148,500	148,500	107,876	(40,624)
Charges for services – building department	500	500		(500)
Fire runs	24,000	24,000	14,071	(9,929)
Civil infractions	200	200	10,190	9,990
Interest	12,000	12,000	29,428	17,428
Rent	10,000	10,000	753	(9,247)
Total revenues	690,200	690,200	659,599	(30,601)
EXPENDITURES				
Building and grounds	24,800	24,800	14,130	10,670
Station #3 site	4,000	4,000	837	3,163
Capital outlay	99,000	190,000	169,878	20,122
Personnel	331,400	331,400	280,208	51,192
General expenses	69,000	106,000	77,244	28,756
Equipment	29,700	66,700	44,038	22,662
Purchase of land/equipment	165,000			
Fund reserves	15,000	10,000		10,000
Tax tribunal		5,000	129	4,871
Total expenditures	737,900	737,900	586,464	151,436
Excess (deficiency) of revenues over expenditures	(47,700)	(47,700)	73,135	120,835
OTHER FINANCING SOURCES				
Appropriation of prior year fund balance	47,700	47,700		(47,700)
Excess (deficiency) of revenues over expenditures and other financing sources			73,135	73,135
FUND BALANCE, JANUARY 1, 2004	807,825	807,825	807,825	
PRIOR PERIOD ADJUSTMENT – BUDGET APPROPRIATION	(47,700)	(47,700)		47,700
FUND BALANCE, DECEMBER 31, 2004	\$ 760,125	\$ 760,125	\$ 880,960	\$ 120,835

CHARTER TOWNSHIP OF SPRINGFIELD  
POLICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,102,861	\$ 2,861
Delinquent personal property taxes			2,189	2,189
Liquor license fees	2,000	2,000	5,550	3,550
Interest	6,000	6,000	13,038	7,038
Mini contracts	10,000	10,000	10,655	655
Miscellaneous revenue			179	179
Total revenues	<u>1,118,000</u>	<u>1,118,000</u>	<u>1,134,472</u>	<u>16,472</u>
EXPENDITURES				
Contracted services	1,140,500	1,140,500	1,142,823	(2,323)
Mini contracts	10,000	10,000	10,655	(655)
Refund			247	(247)
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>275</u>	<u>725</u>
Total expenditures	<u>1,151,500</u>	<u>1,151,500</u>	<u>1,154,000</u>	<u>(2,500)</u>
Excess (deficiency) of revenues over expenditures	(33,500)	(33,500)	(19,528)	13,972
OTHER FINANCING SOURCES				
Appropriation of prior year fund balance	<u>33,500</u>	<u>33,500</u>		<u>(33,500)</u>
Excess (deficiency) of revenues over expenditures and other financing sources			(19,528)	(19,528)
FUND BALANCE, JANUARY 1, 2004	386,376	386,376	386,376	
PRIOR PERIOD ADJUSTMENT – BUDGET APPROPRIATION	<u>(33,500)</u>	<u>(33,500)</u>		<u>33,500</u>
FUND BALANCE, DECEMBER 31, 2004	<u>\$ 352,876</u>	<u>\$ 352,876</u>	<u>\$ 366,848</u>	<u>\$ 13,972</u>

FUND  
FINANCIAL  
STATEMENTS



CHARTER TOWNSHIP OF SPRINGFIELD  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2004

	General Fund	Fire Fund	Police Fund	Other Non-major Funds	Totals
<u>ASSETS</u>					
ASSETS					
Cash and cash equivalents	\$ 1,637,203	\$ 924,170	\$ 627,366	\$ 646,540	\$ 3,835,279
Receivables					
Taxes receivable	379,358	340,090	753,423	236,148	1,709,019
Special assessments				51,707	51,707
State shared revenues	315,768				315,768
Accounts receivable	61,620			13,585	75,205
Due from other funds	178,602	131,833	292,073	100,947	703,455
Advance to other funds	18,515				18,515
Prepaid expenditures	19,983				19,983
Accrued receivable fire runs		18,173			18,173
Total assets	<u>\$ 2,611,049</u>	<u>\$ 1,414,266</u>	<u>\$ 1,672,862</u>	<u>\$ 1,048,927</u>	<u>\$ 6,747,104</u>
<u>LIABILITIES AND FUND BALANCE</u>					
LIABILITIES					
Accounts payable	\$ 19,640	\$ 3,188	\$ 131,589	\$ 14,947	\$ 169,364
Deferred revenue	591,330	530,118	1,174,425	429,198	2,725,071
Due to other funds	913			1,571	2,484
Total liabilities	<u>611,883</u>	<u>533,306</u>	<u>1,306,014</u>	<u>445,716</u>	<u>2,896,919</u>
FUND BALANCE					
Unreserved	1,122,133	798,556	366,848	603,211	2,890,748
Reserved for road maintenance	328,696				328,696
Reserved for building		82,404			82,404
Reserved for Civic Center	548,337				548,337
Total fund balance	<u>1,999,166</u>	<u>880,960</u>	<u>366,848</u>	<u>603,211</u>	<u>3,850,185</u>
Total liabilities and fund balance	<u>\$ 2,611,049</u>	<u>\$ 1,414,266</u>	<u>\$ 1,672,862</u>	<u>\$ 1,048,927</u>	<u>\$ 6,747,104</u>

The notes are an integral part of the financial statements.

**PFEFFER, HANNIFORD & PALKA**  
*Certified Public Accountants*

Component Units	
Library Funds	Lake Board Funds

\$ 44,093	\$ 211,536
159,146	
	744,924
4,611	
61,686	47,519

<u>\$ 269,536</u>	<u>\$ 1,003,979</u>
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\$ 479	\$ 623
248,062	815,462

<u>248,541</u>	<u>816,085</u>
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20,995	187,894
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<u>20,995</u>	<u>187,894</u>
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<u>\$ 269,536</u>	<u>\$ 1,003,979</u>
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SUPPLEMENTARY  
INFORMATION

COMBINING  
FINANCIAL  
STATEMENTS

CHARTER TOWNSHIP OF SPRINGFIELD  
ALL SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2004

	<u>Fire Fund</u>	<u>Police Fund</u>	<u>Cemetery Fund</u>	<u>Parks and Recreation Fund</u>	<u>Softwater Lake Improvement Fund</u>
<u>ASSETS</u>					
ASSETS					
Cash and cash equivalents	\$ 924,170	\$ 627,366	\$ 29,005	\$ 151,165	\$ 10,272
Taxes receivable	340,090	753,423			
Special assessments receivable					15,265
Accounts receivable				5,346	
Due from other funds	131,833	292,073		2,484	2,257
Accrued receivable-fire runs	<u>18,173</u>	<u></u>	<u></u>	<u></u>	<u></u>
Total assets	<u>\$ 1,414,266</u>	<u>\$ 1,672,862</u>	<u>\$ 29,005</u>	<u>\$ 158,995</u>	<u>\$ 27,794</u>
 <u>LIABILITIES AND FUND BALANCE</u>					
LIABILITIES					
Accounts payable	\$ 3,188	\$ 131,589	\$	\$ 5,637	\$
Deferred revenue	530,118	1,174,425		818	19,469
Due to other funds	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Total liabilities	533,306	1,306,014		6,455	19,469
FUND BALANCE	<u>880,960</u>	<u>366,848</u>	<u>29,005</u>	<u>152,540</u>	<u>8,325</u>
Total liabilities and fund balance	<u>\$ 1,414,266</u>	<u>\$ 1,672,862</u>	<u>\$ 29,005</u>	<u>\$ 158,995</u>	<u>\$ 27,794</u>

Cable Television Fund	Building Department Fund	Shiawassee Basin Fund	Totals	Component Units	
				Library Fund	Lake Board Funds
\$ 122,485	\$ 90,673	\$ 124,156	\$ 2,079,292 1,093,513	\$ 44,093 159,146	\$ 211,536
			15,265		744,924
7,539		700	13,585	4,611	
			428,647	61,686	47,519
			18,173		
<u>\$ 130,024</u>	<u>\$ 90,673</u>	<u>\$ 124,856</u>	<u>\$ 3,648,475</u>	<u>\$ 269,536</u>	<u>\$ 1,003,979</u>
\$ 259	\$ 8,721	\$ 330	\$ 149,724	\$ 479	\$ 623
		213	1,725,043	248,062	815,462
		<u>1,571</u>	<u>1,571</u>		
259	8,721	2,114	1,876,338	248,541	816,085
<u>129,765</u>	<u>81,952</u>	<u>122,742</u>	<u>1,772,137</u>	<u>20,995</u>	<u>187,894</u>
<u>\$ 130,024</u>	<u>\$ 90,673</u>	<u>\$ 124,856</u>	<u>\$ 3,648,475</u>	<u>\$ 269,536</u>	<u>\$ 1,003,979</u>

CHARTER TOWNSHIP OF SPRINGFIELD  
ALL DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2004

	<u>Civic Center Fund</u>	<u>Bridge Lake Fund</u>	<u>Totals</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 60,858	\$ 57,925	\$ 118,783
Taxes receivable	236,148		236,148
Special assessments receivable		36,442	36,442
Due from other funds	<u>91,537</u>	<u>4,670</u>	<u>96,207</u>
Total assets	<u>\$ 388,543</u>	<u>\$ 99,037</u>	<u>\$ 487,580</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Deferred revenue	\$ 368,092	\$ 40,607	\$ 408,699
FUND BALANCE			
Fund balance	<u>20,451</u>	<u>58,430</u>	<u>78,881</u>
Total liabilities and fund balance	<u>\$ 388,543</u>	<u>\$ 99,037</u>	<u>\$ 487,580</u>

CHARTER TOWNSHIP OF SPRINGFIELD  
ALL TRUST AND AGENCY FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2004

	<u>Trust And Agency Fund</u>	<u>Current Tax Fund</u>	<u>Totals</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 117,441	\$ 1,527,357	\$ 1,644,798
Total assets	<u>\$ 117,441</u>	<u>\$ 1,527,357</u>	<u>\$ 1,644,798</u>
 <u>LIABILITIES</u>			
LIABILITIES			
Due to others	\$ 115,959	\$ 718,663	\$ 834,622
Due to other funds	<u>1,482</u>	<u>808,694</u>	<u>810,176</u>
Total liabilities	<u>\$ 117,441</u>	<u>\$ 1,527,357</u>	<u>\$ 1,644,798</u>



CHARTER TOWNSHIP OF SPRINGFIELD  
ALL SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Fire Fund	Police Fund	Cemetery Fund	Parks and Recreation Fund	Softwater Lake Improvement Fund
REVENUES					
Grant	\$ 107,876	\$	\$	\$ 15,721	\$
Taxes	497,281	1,105,050			
Special assessments					14,602
Special assessment interest					
State Aid					
Fees		5,550			
Charges for services	24,261	10,655	2,350	68,496	
Penal fines					
CDBG reimbursement					
Rent	753			10,700	
Interest	29,428	13,038	384	1,578	
Contributions				11,881	
Miscellaneous		179		196	
Total revenues	<u>659,599</u>	<u>1,134,472</u>	<u>2,734</u>	<u>108,572</u>	<u>14,602</u>
EXPENDITURES					
Parks				413,022	
Fire	586,464				
Police		1,154,000			
Contractual services					6,280
Building department					
Cable					
Shiawassee basin					
Library					
Total expenditures	<u>586,464</u>	<u>1,154,000</u>		<u>413,022</u>	<u>6,280</u>
Excess (deficiency) of revenues over (under) expenditures	<u>73,135</u>	<u>(19,528)</u>	<u>2,734</u>	<u>(304,450)</u>	<u>8,322</u>
OTHER FINANCING SOURCES					
Loan proceeds					
Transfers in				360,000	
Total other financing sources				<u>360,000</u>	
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	73,135	(19,528)	2,734	55,550	8,322
FUND BALANCE, JANUARY 1, 2004	807,825	386,376	26,271	99,508	3
PRIOR PERIOD ADJUSTMENT				(2,518)	
FUND BALANCE, DECEMBER 31, 2004	<u>\$ 880,960</u>	<u>\$ 366,848</u>	<u>\$ 29,005</u>	<u>\$ 152,540</u>	<u>\$ 8,325</u>

Cable Television Fund	Building Department Fund	Shiawassee Basin Fund	Totals	Component Units	
				Library Fund	Lake Board Funds
\$	\$	\$	\$ 123,597 1,602,331 14,602	\$ 233,211	171,253 17,380
29,396	283,755	5,208	34,946 394,725	11,639 1,955 8,617 19,764 4,611	
1,715	1,412	21,449 1,270 602	32,902 48,825 12,483 645	1,886 2,552 28	1,861
<u>31,111</u>	<u>285,437</u>	<u>28,529</u>	<u>2,265,056</u>	<u>284,263</u>	<u>190,494</u>
			413,022 586,464 1,154,000 6,280 331,458 7,384 35,871		253,644
7,384	331,458	35,871		305,893	
<u>7,384</u>	<u>331,458</u>	<u>35,871</u>	<u>2,534,479</u>	<u>305,893</u>	<u>253,644</u>
<u>23,727</u>	<u>(46,021)</u>	<u>(7,342)</u>	<u>(269,423)</u>	<u>(21,630)</u>	<u>(63,150)</u>
		84,400	444,400		150,000
		84,400	444,400		150,000
23,727	(46,021)	77,058	174,977	(21,630)	86,850
106,038	127,973	43,166	1,597,160	42,625	101,044
		2,518			
<u>\$ 129,765</u>	<u>\$ 81,952</u>	<u>\$ 122,742</u>	<u>\$ 1,772,137</u>	<u>\$ 20,995</u>	<u>\$ 187,894</u>

CHARTER TOWNSHIP OF SPRINGFIELD  
ALL DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Civic Center Fund	Bridge Lake Road Fund	Totals
REVENUES			
Property taxes	\$ 368,873	\$	\$ 368,873
Special assessments		27,230	27,230
Special assessments - interest		4,118	4,118
Interest	<u>2,394</u>	<u>749</u>	<u>3,143</u>
Total revenues	<u>371,267</u>	<u>32,097</u>	<u>403,364</u>
EXPENDITURES			
Bond repayment			
Principal	140,000	42,194	182,194
Interest	212,170	3,643	215,813
Miscellaneous	<u>305</u>	<u></u>	<u>305</u>
Total expenditures	<u>352,475</u>	<u>45,837</u>	<u>398,312</u>
Excess (deficiency) of revenues over (under) expenditures	18,792	(13,740)	5,052
FUND BALANCE, JANUARY 1, 2004	1,659	80,764	82,423
PRIOR PERIOD ADJUSTMENT	<u></u>	<u>(8,594)</u>	<u>(8,594)</u>
FUND BALANCE, DECEMBER 31, 2004	<u>\$ 20,451</u>	<u>\$ 58,430</u>	<u>\$ 78,881</u>

INDIVIDUAL  
FUNDS

GENERAL  
FUND

CHARTER TOWNSHIP OF SPRINGFIELD  
GENERAL FUND  
BALANCE SHEET  
DECEMBER 31, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 1,637,203	
Taxes receivable	379,358	
State shared revenue receivable	315,768	
Accounts receivable - other	61,620	
Due from other funds	178,602	
Advance to other funds	18,515	
Prepaid expenditures	<u>19,983</u>	
Total assets		<u>\$ 2,611,049</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 19,640	
Due to other funds	913	
Deferred revenue	<u>591,330</u>	
Total liabilities		\$ 611,883

FUND BALANCE

Reserved - Roads	328,696	
Reserved – Civic Center	548,337	
Unreserved	<u>1,122,133</u>	
Total fund balance		<u>1,999,166</u>
Total liabilities and fund balance		<u>\$ 2,611,049</u>

CHARTER TOWNSHIP OF SPRINGFIELD  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes	\$ 557,000	\$ 560,605	\$ 3,605
Business license permits	1,425	787	(638)
State shared revenues	950,000	909,006	(40,994)
CDA reimbursement	3,000	21,756	18,756
Other local revenue	243,100	701,108	458,008
District courts	12,000	21,093	9,093
N.O.H.L.C. - contributions	2,000		(2,000)
Civic center	<u>82,000</u>	<u>116,919</u>	<u>34,919</u>
Total revenues	<u>1,850,525</u>	<u>2,331,274</u>	<u>480,749</u>
<b>EXPENDITURES</b>			
Trustees	16,850	12,920	3,930
Supervisor	87,550	84,512	3,038
Elections	33,470	29,563	3,907
Assessor	169,000	166,518	2,482
Clerk	203,100	197,221	5,879
Board of review	2,350	1,723	627
Treasurer	174,450	159,934	14,516
Building and grounds	4,500	1,568	2,932
Cemetery	10,600	10,168	432
Web site	27,450	18,240	9,210
General services	262,700	255,386	7,314
Office clerical	37,500	32,372	5,128
Civic center operations	180,600	186,082	(5,482)
Planning commission	17,800	16,361	1,439
Planning Coordinator	31,000	30,344	656
Zoning board of appeals	6,650	5,383	1,267
Consultants	175,000	161,150	13,850
Public works	277,450	183,983	93,467
Capital outlay	10,000		10,000
Tax tribunal		<u>144</u>	<u>(144)</u>
Total expenditures	<u>1,728,020</u>	<u>1,553,572</u>	<u>174,448</u>
Excess (deficiency) of revenues over expenditures	<u>122,505</u>	<u>777,702</u>	<u>655,197</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>			
Appropriation of prior year fund balance - general	182,100		(182,100)
Appropriation of prior year fund balance - roads	150,000		(150,000)
Transfers (out)	<u>(444,400)</u>	<u>(444,400)</u>	
Total other financing sources and (uses)	<u>(112,300)</u>	<u>(444,400)</u>	<u>(332,100)</u>
Excess (deficiency) of revenues over expenditures and other financing (uses)	<u>10,205</u>	<u>333,302</u>	<u>323,097</u>
<b>FUND BALANCE, JANUARY 1, 2004 BEFORE PRIOR PERIOD ADJUSTMENTS</b>	1,550,475	1,550,475	
<b>PRIOR PERIOD ADJUSTMENT</b>			
Budget appropriations	(332,100)		332,100
Other adjustments		<u>115,389</u>	<u>115,389</u>
<b>FUND BALANCE, JANUARY 1, 2004 AFTER PRIOR PERIOD ADJUSTMENTS</b>	<u>1,218,375</u>	<u>1,665,864</u>	<u>447,489</u>
<b>FUND BALANCE, DECEMBER 31, 2004</b>	<u>\$ 1,228,580</u>	<u>\$ 1,999,166</u>	<u>\$ 770,586</u>

**PFEFFER, HANNIFORD & PALKA**

*Certified Public Accountants*

CHARTER TOWNSHIP OF SPRINGFIELD  
GENERAL FUND  
STATEMENT OF REVENUES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>TAXES</b>			
Current tax collection	\$ 530,000	\$ 531,364	\$ 1,364
Delinquent personal property tax		1,155	1,155
Mobile home fees	3,000	3,047	47
Penalties and collection	<u>24,000</u>	<u>25,039</u>	<u>1,039</u>
Total taxes	<u>557,000</u>	<u>560,605</u>	<u>3,605</u>
<b>BUSINESS LICENSE PERMITS</b>			
Business licenses	600		(600)
Junk licenses	25		(25)
Dog licenses	<u>800</u>	<u>787</u>	<u>(13)</u>
Total business license permits	<u>1,425</u>	<u>787</u>	<u>(638)</u>
<b>STATE SHARED REVENUES</b>	<u>950,000</u>	<u>909,006</u>	<u>(40,994)</u>
<b>CDA REIMBURSEMENT</b>	<u>3,000</u>	<u>21,756</u>	<u>18,756</u>
<b>OTHER LOCAL REVENUE</b>			
Charge for services	10,000	3,800	(6,200)
Charge for services – building fund	27,000	27,000	1,145
Charge for services - telephone	6,000	4,898	(1,102)
Charge for service – lake boards		1,145	1,145
County infrastructure program		46,505	46,505
Board of appeals	9,000	7,043	(1,957)
Plan review charges	87,900	99,007	11,107
No-Haz program	300		(300)
Phase II project	20,000	38,411	18,411
West Nile virus		4,619	4,619
Cemetery lots	1,000	2,350	1,350
Native plant CD	300	228	(72)
Civil infractions	100		(100)
Interest and dividends	24,000	28,141	4,141
Sale of fixed assets		210,000	210,000
Contribution – road improvements		167,630	167,630
Right-of way fee	500	7,369	6,869
Miscellaneous	1,000	2,938	1,938
Sundry receipts	5,000	2,883	(2,117)
Lighting special assessment	1,000	1,305	305
Bridge Lake Road loan advance repay	<u>50,000</u>	<u>45,836</u>	<u>(4,164)</u>
Total other local revenues	<u>243,100</u>	<u>701,108</u>	<u>458,008</u>
<b>DISTRICT COURTS/ORDINANCE FINES</b>	<u>12,000</u>	<u>21,093</u>	<u>9,093</u>
<b>N.O.H.L.C. – CONTRIBUTIONS</b>	<u>2,000</u>		<u>(2,000)</u>
<b>CIVIC CENTER</b>			
Cable franchise fees - Civic Center	50,000	77,164	27,164
Interest – Civic Center		6,609	6,609
Charge for service – rent and facility	<u>32,000</u>	<u>33,146</u>	<u>1,146</u>
Total Civic Center	<u>82,000</u>	<u>116,919</u>	<u>34,919</u>
<b>Total revenues</b>	<u>\$ 1,850,525</u>	<u>\$ 2,331,274</u>	<u>\$ 480,749</u>



CHARTER TOWNSHIP OF SPRINGFIELD  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>TRUSTEES</b>			
Salaries	14,000	10,600	3,400
Payroll taxes	1,100	797	303
Life insurance	250	174	76
Conferences	<u>1,500</u>	<u>1,349</u>	<u>151</u>
Total trustees	<u>16,850</u>	<u>12,920</u>	<u>3,930</u>
<b>SUPERVISOR</b>			
Supervisor's salary	62,000	62,000	
Payroll taxes	4,800	4,743	57
Retirement	4,700	4,650	50
Life/disability insurance	750	702	48
Hospitalization	12,600	10,050	2,550
Office supplies	100	187	(87)
Conferences - Dues	1,500	1,446	54
Mileage	<u>1,100</u>	<u>734</u>	<u>366</u>
Total supervisor	<u>87,550</u>	<u>84,512</u>	<u>3,038</u>
<b>ELECTIONS</b>			
Salaries	16,500	16,048	452
Overtime	5,000	4,842	158
Payroll taxes	270	370	(100)
Office supplies	2,500	2,607	(107)
Postage	2,500	810	1,690
Contractual services	1,800	1,553	247
Coding	1,000	1,086	(86)
Test decks and contracting	1,000	565	435
Meetings		373	(373)
Mileage	200	137	63
Printing and publishing	1,000	603	397
Maintenance/licensing	<u>1,700</u>	<u>569</u>	<u>1,131</u>
Total elections	<u>33,470</u>	<u>29,563</u>	<u>3,907</u>
<b>ASSESSOR</b>			
Chief assessor salary	32,600	29,845	2,755
Assistant assessor	31,100	29,325	1,775
Appraiser II	32,700	31,613	1,087
Appraiser I	24,500	22,314	2,186
Clerk		8,100	(8,100)
Clerk part time		354	(354)
Payroll taxes	10,500	9,200	1,300
Retirement	10,400	8,794	1,606
Life/disability insurance	2,000	1,409	591
Hospitalization	12,200	10,452	1,748
Office supplies	1,200	5,859	(4,659)
Postage	3,000	2,937	63
Tax tribunal		231	(231)
Computer consultants	2,000	865	1,135
Conferences	4,000	2,681	1,319
Mileage	2,500	1,964	536
Printing and publishing	<u>300</u>	<u>575</u>	<u>(275)</u>
Total assessor	<u>169,000</u>	<u>166,518</u>	<u>2,482</u>

CHARTER TOWNSHIP OF SPRINGFIELD  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
(continued)  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CLERK</b>			
Clerk's salary	53,100	53,100	
Deputy clerk salary	32,700	32,700	
Overtime	450		450
Clerical-voter registration	29,000	29,000	
Clerical	25,000	25,000	
Payroll taxes	10,700	10,577	123
Retirement	10,550	10,451	99
Life/disability insurance	1,800	1,588	212
Hospitalization	33,000	29,834	3,166
Office supplies	3,000	2,530	470
Contract clerical		23	(23)
Computer consultants	1,500	2,013	(513)
Conferences	1,500	185	1,315
Mileage	800	220	580
	<u>203,100</u>	<u>197,221</u>	<u>5,879</u>
<b>BOARD OF REVIEW</b>			
Salaries	2,000	1,500	500
Payroll taxes	150	115	35
Conferences	100		100
Printing and publication	100	108	(8)
	<u>2,350</u>	<u>1,723</u>	<u>627</u>
<b>TREASURER</b>			
Treasurer's salary	53,100	53,100	
Deputy treasurer	30,000	30,000	
Clerical – part time	12,500	13,017	(517)
Clerical	24,300	23,942	358
Payroll taxes	9,000	9,149	(149)
Retirement	7,200	6,889	311
Life/disability insurance	1,250	1,194	56
Hospitalization	18,800	11,229	7,571
Office supplies	1,000	2,011	(1,011)
Postage	9,000	5,910	3,090
Computer consultant	5,000	2,777	2,223
Conferences	1,500	286	1,214
Mileage	1,800	430	1,370
	<u>174,450</u>	<u>159,934</u>	<u>14,516</u>
<b>BUILDINGS AND GROUNDS</b>			
Contractual services – custodian	1,000		1,000
Electric	1,200	40	1,160
Heat	300	713	(413)
Repairs and maintenance	2,000	815	1,185
	<u>4,500</u>	<u>1,568</u>	<u>2,932</u>

CHARTER TOWNSHIP OF SPRINGFIELD  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
(continued)  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CEMETERY</b>			
Supplies	500	102	398
Software	600	718	(118)
Repairs and maintenance	7,000	6,348	652
Anderson cemetery donation	<u>2,500</u>	<u>3,000</u>	<u>(500)</u>
Total cemetery	<u>10,600</u>	<u>10,168</u>	<u>432</u>
<b>WEB SITE</b>			
Personnel	1,000		1,000
Supplies	250	430	(180)
Consultants	24,000	17,375	6,625
Web host	1,000	200	800
Miscellaneous		140	(140)
Software	<u>1,200</u>	<u>95</u>	<u>1,105</u>
Total web site	<u>27,450</u>	<u>18,240</u>	<u>9,210</u>
<b>GENERAL SERVICES</b>			
Office supplies	10,000	7,772	2,228
Operating supplies	5,000	2,970	2,030
Native plants CD supplies	100		100
Postage	8,000	7,606	394
Accounting and auditing	18,000	16,867	1,133
Recording secretary services	2,500	1,785	715
Attorney fees	85,000	82,041	2,959
Computer consultant	30,500	21,096	9,404
Community development expense	5,100	22,914	(17,814)
Dues and subscriptions	7,000	7,603	(603)
Telephone	15,000	14,715	285
Mileage	250	311	(61)
Cleanup - fall and spring	15,000	10,299	4,701
No haz expense	2,000	3,627	(1,627)
Youth activities	7,000	7,000	
Printing and publishing	7,500	5,736	1,764
Insurance and bonds	30,000	30,405	(405)
Repair and maintenance	3,000	3,449	(449)
Land sale cost		7,982	(7,982)
Miscellaneous	<u>11,750</u>	<u>1,208</u>	<u>10,542</u>
Total general services	<u>262,700</u>	<u>255,386</u>	<u>7,314</u>
<b>OFFICE CLERICAL</b>			
Administrative assistant	24,300	20,925	3,375
Payroll taxes	1,900	1,601	299
Retirement	1,800	1,569	231
Life/disability insurance	1,100	654	446
Hospitalization	8,200	6,735	1,465
Contractual service		788	(788)
Conferences	100	49	51
Mileage	<u>100</u>	<u>51</u>	<u>49</u>
Total office clerical	<u>37,500</u>	<u>32,372</u>	<u>5,128</u>

CHARTER TOWNSHIP OF SPRINGFIELD  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
(continued)  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CIVIC CENTER OPERATIONS</b>			
Maintenance supplies	1,000	1,428	(428)
Equipment under \$10,000	15,000	9,721	5,279
Contract services/building management	40,000	26,037	13,963
Consultants	100	8,155	(8,055)
Custodial services	33,000	34,038	(1,038)
Snow removal	5,500	5,825	(325)
Lawn and grounds keeping	6,400	6,298	102
Insurance and bond	16,000	18,173	(2,173)
Electric	20,000	27,453	(7,453)
Heat	17,000	20,553	(3,553)
Repair and maintenance	23,100	26,503	(3,403)
Miscellaneous	<u>3,500</u>	<u>1,898</u>	<u>1,602</u>
Total civic center operations	<u>180,600</u>	<u>186,082</u>	<u>(5,482)</u>
<b>PLANNING COMMISSION</b>			
Salaries	10,000	7,275	2,725
Payroll taxes	800	557	243
Recording secretary services	3,500	2,925	575
Conferences	1,500	1,794	(294)
Printing and publishing	<u>2,000</u>	<u>3,810</u>	<u>(1,810)</u>
Total planning commission	<u>17,800</u>	<u>16,361</u>	<u>1,439</u>
<b>PLANNING COORDINATOR</b>			
Salaries	25,000	26,585	(1,585)
Payroll taxes	2,100	2,034	66
Retirement	1,000	84	916
Life/disability insurance	300	253	47
Hospitalization	1,100	456	644
Conference	1,000	812	188
Mileage	<u>500</u>	<u>120</u>	<u>380</u>
Total planning coordinator	<u>31,000</u>	<u>30,344</u>	<u>656</u>
<b>ZONING BOARD OF APPEALS</b>			
Salaries	4,200	3,925	275
Payroll taxes	300	300	
Recording secretary	1,000	705	295
Conferences	350		350
Printing and publishing	<u>800</u>	<u>453</u>	<u>347</u>
Total zoning board of appeals	<u>6,650</u>	<u>5,383</u>	<u>1,267</u>
<b>CONSULTANTS</b>			
Engineers	13,000	12,817	183
Planner	25,000	21,653	3,347
Plan review fees	60,000	57,884	2,116
Contract services	16,000	15,031	969
Phase II project	55,000	48,483	6,517
West Nile virus	5,000	4,782	218
Financial advisor	<u>1,000</u>	<u>500</u>	<u>500</u>
Total consultants	<u>175,000</u>	<u>161,150</u>	<u>13,850</u>



CHARTER TOWNSHIP OF SPRINGFIELD  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
(continued)  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
PUBLIC WORKS			
Road matching	110,450	38,764	71,686
Chloride	70,000	60,686	9,314
Graveling	60,000	53,639	6,361
Streetlighting	20,000	17,958	2,042
Tornado sirens	15,000	12,904	2,096
Miscellaneous	<u>2,000</u>	<u>32</u>	<u>1,968</u>
Total public works	<u>277,450</u>	<u>183,983</u>	<u>93,467</u>
 CAPITAL OUTLAY	 <u>10,000</u>	 <u>          </u>	 <u>10,000</u>
TAX TRIBUNAL	<u>          </u>	<u>144</u>	<u>(144)</u>
Total expenditures	<u>\$ 1,728,020</u>	<u>\$ 1,553,572</u>	<u>\$ 174,448</u>

FIRE  
FUND

CHARTER TOWNSHIP OF SPRINGFIELD  
FIRE FUND  
BALANCE SHEET  
DECEMBER 31, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 924,170
Taxes receivable	340,090
Due from other funds	131,833
Accrued receivable – fire runs	<u>18,173</u>

Total assets		\$ <u>1,414,266</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 3,188
Deferred revenue	<u>530,118</u>

Total liabilities		\$ 533,306
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FUND BALANCE

Reserved-buildings	82,404
Unreserved	<u>798,556</u>

Total fund balance		<u>880,960</u>
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Total liabilities and fund balance		\$ <u>1,414,266</u>
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CHARTER TOWNSHIP OF SPRINGFIELD  
FIRE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 495,000	\$ 497,281	\$ 2,281
Fema grant	148,500	107,876	(40,624)
Charges for services – building department	500		(500)
Fire runs	24,000	14,071	(9,929)
Civil infractions	200	10,190	9,990
Interest	12,000	29,428	17,428
Rent	<u>10,000</u>	<u>753</u>	<u>(9,247)</u>
Total revenues	<u>690,200</u>	<u>659,599</u>	<u>(30,601)</u>
EXPENDITURES			
Buildings and grounds	24,800	14,130	10,670
Station #3 site	4,000	837	3,163
Capital outlay	190,000	169,878	20,122
Personnel	331,400	280,208	51,192
General expenses	106,000	77,244	28,756
Equipment	66,700	44,038	22,662
Fund reserves	10,000		10,000
Tax tribunal	<u>5,000</u>	<u>129</u>	<u>4,871</u>
Total expenditures	<u>737,900</u>	<u>586,464</u>	<u>151,436</u>
Excess (deficiency) revenues over expenditures	(47,700)	73,135	120,835
OTHER FINANCING SOURCES			
Appropriation of prior year fund balance	<u>47,700</u>		<u>(47,700)</u>
Excess (deficiency) of revenues over expenditures and other financing sources		73,135	73,135
FUND BALANCE, JANUARY 1, 2004	807,825	807,825	
PRIOR PERIOD ADJUSTMENT – BUDGET APPROPRIATION	<u>(47,700)</u>		<u>47,700</u>
FUND BALANCE, DECEMBER 31, 2004	<u>\$ 760,125</u>	<u>\$ 880,960</u>	<u>\$ 120,835</u>

CHARTER TOWNSHIP OF SPRINGFIELD  
FIRE FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>BUILDING AND GROUNDS</b>			
Operating supplies	\$ 1,100	\$ 858	\$ 242
Custodian	200		200
Electric	3,500	3,994	(494)
Heat	5,000	4,292	708
Repairs and maintenance	<u>15,000</u>	<u>4,986</u>	<u>10,014</u>
Total building and grounds	<u>24,800</u>	<u>14,130</u>	<u>10,670</u>
<b>STATION #3 SITE</b>			
Electric	400	38	362
Heat	600		600
Repairs and maintenance	<u>3,000</u>	<u>799</u>	<u>2,201</u>
Total Station #3 site	<u>4,000</u>	<u>837</u>	<u>3,163</u>
<b>CAPITAL OUTLAY</b>			
Equipment under \$10,000		107,877	(107,877)
C/O equipment	115,000	55,001	59,999
Building and grounds	<u>75,000</u>	<u>7,000</u>	<u>68,000</u>
Total capital outlay	<u>190,000</u>	<u>169,878</u>	<u>20,122</u>
<b>PERSONNEL</b>			
Salaries	130,000	96,721	33,279
Chief and assistant	50,000	51,800	(1,800)
Maintenance	500		500
Clerical	17,000	17,410	(410)
Inspection	200		200
Full-time firefighter	56,000	54,288	1,712
Education/training	12,000	8,085	3,915
Medical	800	15	785
Payroll taxes	23,000	17,244	5,756
Retirement	7,500	3,570	3,930
Life insurance	500	460	40
Hospitalization	27,000	24,339	2,661
Disability insurance	600	696	(96)
Tuition and training	5,000	1,981	3,019
Conference dues	1,000	3,481	(2,481)
Mileage	<u>300</u>	<u>118</u>	<u>182</u>
Total personnel	<u>331,400</u>	<u>280,208</u>	<u>51,192</u>

CHARTER TOWNSHIP OF SPRINGFIELD  
FIRE FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
(continued)  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>GENERAL EXPENSES</b>			
Office supplies	\$ 4,000	\$ 1,158	\$ 2,842
Operating supplies	3,500	1,389	2,111
Educational supplies	100		100
Fire prevention	2,500	391	2,109
Attorney Fees	500		500
Court fees	3,000	1,923	1,077
Dues and subscription	1,300	377	923
Telephone	7,000	3,798	3,202
Dispatch	14,300	14,160	140
Printing and publishing	300	40	260
Insurance and bond	54,000	52,732	1,268
Office repairs and maintenance	500	72	428
Miscellaneous	6,000	1,204	4,796
Bad debt	<u>9,000</u>	<u></u>	<u>9,000</u>
Total general expenses	<u>106,000</u>	<u>77,244</u>	<u>28,756</u>
<b>EQUIPMENT</b>			
Equipment under \$10,000	15,500	8,449	7,051
Personnel supplies	9,000	5,797	3,203
Medical supplies	5,000	2,513	2,487
Radio supplies	5,200	2,133	3,067
Gas and oil	6,000	4,766	1,234
Truck repairs and maintenance	16,000	14,785	1,215
Equipment maintenance	6,000	4,337	1,663
Miscellaneous	<u>4,000</u>	<u>1,258</u>	<u>2,742</u>
Total equipment	<u>66,700</u>	<u>44,038</u>	<u>22,662</u>
<b>FUND RESERVES</b>			
Equipment replacement	5,000		5,000
Contingency	<u>5,000</u>	<u></u>	<u>5,000</u>
Total fund reserves	<u>10,000</u>	<u></u>	<u>10,000</u>
<b>TAX TRIBUNAL</b>	<u>5,000</u>	<u>129</u>	<u>4,871</u>
Total expenditures	<u>\$ 737,900</u>	<u>\$ 586,464</u>	<u>\$ 151,436</u>

POLICE  
FUND

CHARTER TOWNSHIP OF SPRINGFIELD  
POLICE FUND  
BALANCE SHEET  
DECEMBER 31, 2004

ASSETS

ASSETS

Cash and cash equivalents  
Taxes receivable  
Due from other funds

\$ 627,366  
753,423  
292,073

Total assets

\$ 1,672,862

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable  
Deferred revenue

\$ 131,589  
1,174,425

Total liabilities

\$ 1,306,014

FUND BALANCE

366,848

Total liabilities and fund balance

\$ 1,672,862

CHARTER TOWNSHIP OF SPRINGFIELD  
POLICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 1,100,000	\$ 1,102,861	\$ 2,861
Delinquent personal property taxes		2,189	2,189
Liquor license fees	2,000	5,550	3,550
Interest	6,000	13,038	7,038
Mini contracts	10,000	10,655	655
Miscellaneous revenue		179	179
	<u>1,118,000</u>	<u>1,134,472</u>	<u>16,472</u>
Total revenues			
EXPENDITURES			
Contracted services	1,140,500	1,142,823	(2,323)
Mini contracts	10,000	10,655	(655)
Refund		247	(247)
Miscellaneous	1,000	275	725
	<u>1,151,500</u>	<u>1,154,000</u>	<u>(2,500)</u>
Total expenditures			
Excess (deficiency) revenues over expenditures	(33,500)	(19,528)	13,972
OTHER FINANCING SOURCES			
Appropriation of prior year fund balance	33,500		(33,500)
Excess (deficiency) of revenues over expenditures and other financing sources		(19,528)	(19,528)
FUND BALANCE, JANUARY 1, 2004	386,376	386,376	
PRIOR PERIOD ADJUSTMENT – BUDGET APPROPRIATION	<u>(33,500)</u>		<u>33,500</u>
FUND BALANCE, DECEMBER 31, 2004	<u>\$ 352,876</u>	<u>\$ 366,848</u>	<u>\$ 13,972</u>

PARKS  
AND  
RECREATION  
FUND

CHARTER TOWNSHIP OF SPRINGFIELD  
PARKS AND RECREATION FUND  
BALANCE SHEET  
DECEMBER 31, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 151,165
Accounts receivable - other	5,346
Due from other funds	<u>2,484</u>

Total assets		<u>\$ 158,995</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 5,637
Deferred revenue	<u>818</u>

Total liabilities		\$ 6,455
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FUND BALANCE

	<u>152,540</u>
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Total liabilities and fund balance		<u>\$ 158,995</u>
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CHARTER TOWNSHIP OF SPRINGFIELD  
PARKS AND RECREATION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Grant community development	\$ 20,879	\$ 15,721	\$ (5,158)
Fees for services	53,625	47,272	(6,353)
Maintenance services	10,000	7,350	(2,650)
Equipment usage fee	5,000	3,261	(1,739)
Interest income	1,000	1,578	578
Pavilion rent	1,700	1,824	125
Ticket sales	10,000	7,738	(2,262)
Contributions	7,000	7,571	571
Contributions from athletic group	2,500		(2,500)
Miscellaneous	500	196	(304)
Sundry receipts	100		(100)
Contributions other	4,500	4,310	(190)
Community room rent	7,000	8,875	1,875
Community room-non profit	<u>3,000</u>	<u>2,875</u>	<u>(125)</u>
Total revenues	<u>126,804</u>	<u>108,572</u>	<u>(18,232)</u>
<b>EXPENDITURES</b>			
Personnel	332,483	271,702	60,781
Operating	65,470	60,450	5,020
Utilities	12,947	9,816	3,131
Capital outlay	26,750	22,621	4,129
Repairs and maintenance	24,700	8,119	16,581
Other expenses	50,900	36,234	14,666
Supplies and equipment	<u>5,000</u>	<u>4,080</u>	<u>920</u>
Total expenditures	<u>518,250</u>	<u>413,022</u>	<u>105,228</u>
Excess (deficiency) revenues over (under) expenditures	<u>(391,446)</u>	<u>(304,450)</u>	<u>86,996</u>
<b>OTHER FINANCING SOURCES</b>			
Appropriation of prior year fund balance	41,075		(41,075)
Transfers in	<u>360,000</u>	<u>360,000</u>	
Total other financing sources	<u>401,075</u>	<u>360,000</u>	<u>(41,075)</u>
Excess (deficiency) of revenues over expenditures and other financing sources	9,629	55,550	45,921
FUND BALANCE, JANUARY 1, 2004	99,508	99,508	
PRIOR PERIOD ADJUSTMENT – BUDGET APPROPRIATION	(41,075)		41,075
PRIOR PERIOD ADJUSTMENT - OTHER		<u>(2,518)</u>	<u>(2,518)</u>
FUND BALANCE, DECEMBER 31, 2004	<u>\$ 68,062</u>	<u>\$ 152,540</u>	<u>\$ 84,478</u>



CHARTER TOWNSHIP OF SPRINGFIELD  
PARKS AND RECREATION FUND  
STATEMENT OF EXPENDITURES – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES			
Personnel			
Salaries	\$ 251,493	\$ 209,972	\$ 41,521
Payroll taxes	19,240	16,006	3,234
Retirement	9,947	10,141	(194)
Life/disability insurance	1,506	1,604	(98)
Hospitalization	21,157	13,547	7,610
Mileage	1,100	713	387
Recording secretary	1,500	900	600
Instructor	23,040	15,366	7,674
Life guard in service	1,500	1,487	13
Conference, dues	<u>2,000</u>	<u>1,966</u>	<u>34</u>
Total personnel	<u>332,483</u>	<u>271,702</u>	<u>60,781</u>
Operating			
Office supplies	2,000	1,861	139
Operating supply	6,100	4,327	1,773
Special events	3,770	3,815	(45)
Community center	2,500	2,617	(117)
Legal fees	800	594	206
Gas and oil	800	1,407	(607)
Tickets	10,000	7,662	2,338
Community promotion	2,500	2,996	(496)
Printing and publishing	11,000	11,557	(557)
Insurance and bonds	<u>26,000</u>	<u>23,614</u>	<u>2,386</u>
Total operating	<u>65,470</u>	<u>60,450</u>	<u>5,020</u>
Utilities			
Telephone	3,947	2,699	1,248
Electric	6,000	4,802	1,198
Heat	<u>3,000</u>	<u>2,315</u>	<u>685</u>
Total utilities	<u>12,947</u>	<u>9,816</u>	<u>3,131</u>
Capital outlay			
Equipment	13,750	11,239	2,511
Karl Shultz Park	3,000		3,000
Mill pond park	<u>10,000</u>	<u>11,382</u>	<u>(1,382)</u>
Total capital outlay	<u>26,750</u>	<u>22,621</u>	<u>4,129</u>

CHARTER TOWNSHIP OF SPRINGFIELD  
PARKS AND RECREATION FUND  
STATEMENT OF EXPENDITURES – BUDGET AND ACTUAL  
(continued)  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES			
Repairs and maintenance			
Community center	\$ 9,650	\$ 986	\$ 8,664
Parks	12,650	5,197	7,453
Equipment	<u>2,400</u>	<u>1,936</u>	<u>464</u>
Total repairs and maintenance	<u>24,700</u>	<u>8,119</u>	<u>16,581</u>
Other expenses			
Youth activities	700	2,560	(1,860)
Senior citizen programs	6,900	7,591	(691)
Contractual service	43,050	26,083	16,967
Miscellaneous	<u>250</u>	<u></u>	<u>250</u>
Total other expenses	<u>50,900</u>	<u>36,234</u>	<u>14,666</u>
Supplies and equipment	<u>5,000</u>	<u>4,080</u>	<u>920</u>
Total expenditures	<u>\$ 518,250</u>	<u>\$ 413,022</u>	<u>\$ 105,228</u>

CEMETERY  
FUND

CHARTER TOWNSHIP OF SPRINGFIELD  
CEMETERY FUND  
BALANCE SHEET  
DECEMBER 31, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 29,005

FUND BALANCE

FUND BALANCE

\$ 29,005

CHARTER TOWNSHIP OF SPRINGFIELD  
CEMETERY FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 100	\$ 384	\$ 284
Sale of cemetery lots	<u>600</u>	<u>2,350</u>	<u>1,750</u>
Total revenues	700	2,734	2,034
EXPENDITURES	<u>          </u>	<u>          </u>	<u>          </u>
Excess (deficiency) of revenues over expenditures	700	2,734	2,034
FUND BALANCE, JANUARY 1 2004	<u>26,271</u>	<u>26,271</u>	<u>          </u>
FUND BALANCE, DECEMBER 31, 2004	<u><u>\$ 26,971</u></u>	<u><u>\$ 29,005</u></u>	<u><u>\$ 2,034</u></u>

SOFTWATER  
LAKE  
IMPROVEMENT  
FUND



CHARTER TOWNSHIP OF SPRINGFIELD  
SOFTWATER LAKE IMPROVEMENT FUND  
BALANCE SHEET  
DECEMBER 31, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 10,272
Special assessment receivable	15,265
Due from other funds	<u>2,257</u>

Total assets	<u>\$ 27,794</u>
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LIABILITY AND FUND BALANCE

LIABILITY

Deferred revenue	\$ 19,469
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FUND BALANCE

<u>8,325</u>
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Total liability and fund balance	<u>\$ 27,794</u>
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CHARTER TOWNSHIP OF SPRINGFIELD  
 SOFTWATER LAKE IMPROVEMENT FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES	\$ 15,000	\$ 14,602	\$ (398)
EXPENDITURES			
Contractual services	<u>14,000</u>	<u>6,280</u>	<u>7,720</u>
Excess (deficiency) of revenues over (under) expenditures	1,000	8,322	7,322
FUND BALANCE, JANUARY 1, 2004	<u>3</u>	<u>3</u>	<u></u>
FUND BALANCE, DECEMBER 31, 2004	<u>\$ 1,003</u>	<u>\$ 8,325</u>	<u>\$ 7,322</u>

CABLE TELEVISION  
FUND

CHARTER TOWNSHIP OF SPRINGFIELD  
CABLE TELEVISION FUND  
BALANCE SHEET  
DECEMBER 31, 2004

ASSETS

ASSETS

Cash and cash equivalents  
Fees Receivable

\$ 122,485  
7,539

Total assets

\$ 130,024

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 259

FUND BALANCE

129,765

Total liabilities and fund balance

\$ 130,024

CHARTER TOWNSHIP OF SPRINGFIELD  
CABLE TELEVISION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Fees	\$ 22,400	\$ 29,396	\$ 6,996
Interest	<u>200</u>	<u>1,715</u>	<u>1,515</u>
Total revenues	<u>22,600</u>	<u>31,111</u>	<u>8,511</u>
EXPENDITURES			
Operating supplies	1,500		1,500
Salary		1,020	(1,020)
Payroll taxes		78	(78)
Cable coordinator services	12,500	1,283	11,217
Consultants		585	(585)
Attorney fees		1,314	(1,314)
Telephone	100	8	92
Office rent	3,600	3,096	504
Equipment	<u>30,000</u>		<u>30,000</u>
Total expenditures	<u>47,700</u>	<u>7,384</u>	<u>40,316</u>
Excess (deficiency) of revenues over (under) expenditures	(25,100)	23,727	48,827
OTHER FINANCING SOURCES			
Appropriation of prior year fund balance	<u>25,100</u>		<u>(25,100)</u>
Excess (deficiency) of revenues over expenditures and other financing sources		23,727	23,727
FUND BALANCE, JANUARY 1, 2004	106,038	106,038	
PRIOR PERIOD ADJUSTMENT BUDGET APPROPRIATION	<u>(25,100)</u>		<u>25,100</u>
FUND BALANCE, DECEMBER 31, 2004	<u>\$ 80,938</u>	<u>\$ 129,765</u>	<u>\$ 48,827</u>

BUILDING  
DEPARTMENT  
FUND

CHARTER TOWNSHIP OF SPRINGFIELD  
BUILDING DEPARTMENT FUND  
BALANCE SHEET  
DECEMBER 31, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 90,673

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable

\$ 8,721

FUND BALANCE

81,952

Total liabilities and fund balance

\$ 90,673

CHARTER TOWNSHIP OF SPRINGFIELD  
BUILDING DEPARTMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Building permits	\$ 127,000	\$ 124,766	\$ (2,234)
Electrical permits	63,000	69,530	6,530
Plumbing permits	37,000	37,550	550
Mechanical permits	46,000	45,039	(961)
Plan review fees	7,000	6,870	(130)
Interest	1,000	1,412	412
Miscellaneous income	<u>          </u>	<u>270</u>	<u>270</u>
Total revenues	<u>281,000</u>	<u>285,437</u>	<u>4,437</u>
<b>EXPENDITURES</b>			
Personnel			
Building inspector	34,100	34,100	
Building director	37,000	36,731	269
Building coordinator	27,900	30,784	(2,884)
Clerical – part time	5,000		5,000
Ordinance officer	14,000	13,361	639
Payroll taxes	10,200	8,749	1,451
Retirement	2,100	1,956	144
Life/disability insurance	650	635	15
Hospitalization	24,000	11,300	12,700
Conferences - dues	1,100	2,407	(1,307)
Mileage	<u>5,000</u>	<u>3,069</u>	<u>1,931</u>
Total personnel	<u>161,050</u>	<u>143,092</u>	<u>17,958</u>
Contract services			
Clerical		1,386	(1,386)
Plan review	10,000	3,979	6,021
Electrical inspector	40,000	40,198	(198)
Plumbing inspector	23,000	21,959	1,041
Mechanical inspector	26,000	24,934	1,066
Substitute inspector	<u>500</u>	<u>952</u>	<u>(452)</u>
Total contracted services	<u>99,500</u>	<u>93,408</u>	<u>6,092</u>



CHARTER TOWNSHIP OF SPRINGFIELD  
BUILDING DEPARTMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL  
(continued)  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating expenditures			
Office supplies	\$ 6,000	\$ 5,150	\$ 850
Equipment under \$10,000	4,000	2,672	1,328
Operating supplies	1,200	506	694
Contractual services	5,000		5,000
Telephone	4,000	2,547	1,453
Gas and oil	3,000	2,359	641
Vehicle use	3,000	3,013	(13)
Computer equipment	1,600	1,880	(280)
Software	1,000		1,000
Printing and publishing	1,000	1,040	(40)
Insurance and bonds	6,500	9,326	(2,826)
Miscellaneous	700		700
Facility operation and maintenance	8,750	8,730	20
Rent	<u>18,000</u>	<u>18,000</u>	
Total operating expenditures	<u>63,750</u>	<u>55,223</u>	<u>8,527</u>
Support and service			
Accounting and payroll	13,500	13,500	
Planning coordinator	6,000	6,000	
Legal	1,000	60	940
Fire inspections	<u>3,000</u>	<u>2,340</u>	<u>660</u>
Total support and service	<u>23,500</u>	<u>21,900</u>	<u>1,600</u>
Contingency	<u>1,000</u>		<u>1,000</u>
Capital outlay	<u>25,000</u>	<u>17,835</u>	<u>7,165</u>
Total expenditures	<u>373,800</u>	<u>331,458</u>	<u>42,342</u>
Excess (deficiency) of revenues over (under) expenditures	(92,800)	(46,021)	46,779
OTHER FINANCING SOURCES			
Appropriation of prior year fund balance	<u>92,800</u>		<u>(92,800)</u>
Excess (deficiency) of revenues over expenditures and other financing (uses)		(46,021)	(46,021)
FUND BALANCE, JANUARY 1, 2004	127,973	127,973	
PRIOR PERIOD ADJUSTMENT – BUDGET APPROPRIATION	<u>(92,800)</u>		<u>92,800</u>
FUND BALANCE, DECEMBER 31, 2004	<u>\$ 35,173</u>	<u>\$ 81,952</u>	<u>\$ 46,779</u>

LIBRARY  
FUND

CHARTER TOWNSHIP OF SPRINGFIELD  
LIBRARY FUND  
BALANCE SHEET  
DECEMBER 31, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 44,093	
Taxes receivable	159,146	
Due from others	4,611	
Due from other funds	<u>61,686</u>	
Total assets		<u>\$ 269,536</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 479	
Deferred revenue	<u>248,062</u>	
Total liabilities		\$ 248,541

FUND BALANCE

		<u>20,995</u>
Total liabilities and fund balance		<u>\$ 269,536</u>

CHARTER TOWNSHIP OF SPRINGFIELD  
LIBRARY FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes	\$ 233,000	\$ 232,716	\$ (284)
Delinquent personal property		495	495
State aid	11,600	11,639	39
State revenue sharing	645	647	2
Penal fines - state	20,000	19,117	(883)
CDBG reimbursement	4,800	4,611	(189)
Overdue fines	6,800	8,617	1,817
Interest	1,500	1,886	386
Contract fees	1,500	1,955	455
Miscellaneous		28	28
Contributions	1,400	2,552	1,152
Total revenues	281,245	284,263	3,018
<b>EXPENDITURES</b>			
Personnel			
Library director	56,650	56,650	
Librarian I	35,100	35,100	
Librarian II	14,950	13,610	1,340
Library tech	11,860	11,862	(2)
Circulation head	19,050	19,050	
Library assistant I	9,200	8,911	289
Library assistant II	8,500	7,868	632
Library assistant III	5,620	5,666	(46)
Library assistant IV	3,520	4,427	(907)
Library assistant V	2,000	1,280	720
Student assistant I	2,250	2,517	(267)
Payroll taxes	14,000	12,771	1,229
Retirement	8,200	8,310	(110)
Life/disability insurance	1,500	1,347	153
Hospitalization	15,500	17,593	(2,093)
Mileage	500	616	(116)
Total personnel	208,400	207,578	822
Operating expenditures			
Office supplies	4,900	6,249	(1,349)
Equipment under \$10,000		235	(235)
Operating supplies	4,000	3,642	358
Professional service	750	877	(127)
Shared automations system	28,500	25,882	2,618
Conferences - due	1,500	2,227	(727)
Telephone	2,000	1,463	537
Printing and publishing	500	605	(105)
Total operating expenditures	42,150	41,180	970
Utilities			
Insurance and bonds	2,400	2,418	(18)
Repairs and maintenance	500	364	136
Miscellaneous	3,100	2,722	378
Total utilities	6,000	5,504	496

CHARTER TOWNSHIP OF SPRINGFIELD  
LIBRARY FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
(continued)  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Collections			
Books	40,000	43,533	(3,533)
CDBG expense	4,800	4,611	189
Subscriptions	<u>3,000</u>	<u>3,427</u>	<u>(427)</u>
Total collections	<u>47,800</u>	<u>51,571</u>	<u>(3,771)</u>
Contingency	<u>100</u>		<u>100</u>
Capital outlay	<u>250</u>		<u>250</u>
Tax tribunal	<u>250</u>	<u>60</u>	<u>190</u>
Total expenditures	<u>304,950</u>	<u>305,893</u>	<u>(943)</u>
Excess (deficiency) of revenues over (under) expenditures	(23,705)	(21,630)	2,075
OTHER FINANCING SOURCES			
Appropriation of prior year fund balance	<u>25,000</u>		<u>(25,000)</u>
Excess (deficiency) of revenues over expenditures and other financing sources	<u>1,295</u>	<u>(21,630)</u>	<u>(22,925)</u>
FUND BALANCE JANUARY 1, 2004 BEFORE PRIOR PERIOD ADJUSTMENT	42,625	42,625	
PRIOR PERIOD ADJUSTMENT – BUDGET APPROPRIATION	<u>(25,000)</u>		<u>25,000</u>
FUND BALANCE JANUARY 1, 2004 AFTER PRIOR PERIOD ADJUSTMENT	<u>17,625</u>	<u>42,625</u>	<u>25,000</u>
FUND BALANCE DECEMBER 31, 2004	<u>\$ 18,920</u>	<u>\$ 20,995</u>	<u>\$ 2,075</u>

LAKE BOARD  
FUNDS

CHARTER TOWNSHIP OF SPRINGFIELD  
LAKE BOARD FUNDS  
BALANCE SHEET  
DECEMBER 31, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 211,536
Special assessment receivable	744,924
Due from other funds	<u>47,519</u>

Total assets

\$ 1,003,979

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 623
Deferred revenue	<u>815,462</u>

Total liabilities

\$ 816,085

FUND BALANCE

187,894

Total liabilities and fund balance

\$ 1,003,979

CHARTER TOWNSHIP OF SPRINGFIELD  
LAKE BOARD FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 2,000	\$ 1,860	\$ (140)
Interest special assessment		17,380	17,380
Revenue – Big Lake	65,000	64,655	(345)
Revenue – Dixie Lake	30,000	28,000	(2,000)
Revenue – Susin Lake	25,000		(25,000)
Revenue – Waumegah Lake weed	37,000	23,000	(14,000)
Revenue – Waumegah Lake berm and well	<u>55,000</u>	<u>55,599</u>	<u>599</u>
Total revenues	<u>214,000</u>	<u>190,494</u>	<u>(23,506)</u>
EXPENDITURES			
Contractual services – Big Lake	63,000	37,800	25,200
Contractual services – Dixie Lake	28,000	30,888	(2,888)
Contractual services – Susin Lake	24,000	24,105	(105)
Contractual services – Waumegah weed	36,000	22,435	13,565
Contractual services – Waumegah berm	153,000	136,770	16,230
Springfield Township	2,000		2,000
Printing and publishing	1,000	1,362	(362)
Miscellaneous	<u>4,000</u>	<u>284</u>	<u>3,716</u>
Total expenditures	<u>311,000</u>	<u>253,644</u>	<u>57,356</u>
Excess (deficiency) of revenues over (under) expenditures	(97,000)	(63,150)	33,850
OTHER FINANCING SOURCES			
Loan proceeds	<u>150,000</u>	<u>150,000</u>	
Excess (deficiency) of revenues over expenditures and other financing sources	53,000	86,850	33,850
FUND BALANCE, JANUARY 1, 2004	<u>101,044</u>	<u>101,044</u>	
FUND BALANCE, DECEMBER 31, 2004	<u>\$ 154,044</u>	<u>\$ 187,894</u>	<u>\$ 33,850</u>



SHIAWASSEE  
BASIN  
FUND

CHARTER TOWNSHIP OF SPRINGFIELD  
SHIWASSEE BASIN FUND  
BALANCE SHEET  
DECEMBER 31, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 124,156
Accounts receivable - rent	<u>700</u>
Total assets	<u>\$ 124,856</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 330
Due to other funds	1,571
Deferred revenue	<u>213</u>

Total liabilities	\$ 2,114
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FUND BALANCE

122,742

Total liabilities and fund balance	<u>\$ 124,856</u>
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CHARTER TOWNSHIP OF SPRINGFIELD  
SHIAWASSEE BASIN FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
CDA reimbursement	\$ 37,919	\$	\$ (37,919)
Concession stand	300		(300)
Improvement fund	300		(300)
Interest	200	1,270	1,070
Rents	21,600	21,449	(151)
Field use	1,000	2,085	1,085
Contributions	1,000	602	(398)
Contributions form athletic groups	2,500		(2,500)
Programs	<u>1,800</u>	<u>3,123</u>	<u>1,323</u>
Total revenues	<u>66,619</u>	<u>28,529</u>	<u>(38,090)</u>
<b>EXPENDITURES</b>			
General services			
Contractual service	29,500	13,853	15,647
Master plan		43	(43)
Maintenance reimbursement	10,000	5,687	4,313
Insurance	3,000	3,000	
Utilities	2,000	1,600	400
Repairs and maintenance	33,000	5,895	27,105
Equipment usage	<u>4,000</u>	<u>3,261</u>	<u>739</u>
Total general services	<u>81,500</u>	<u>33,339</u>	<u>48,161</u>
Programs	<u>1,100</u>	<u>532</u>	<u>568</u>
Capital outlay	<u>92,000</u>	<u>2,000</u>	<u>90,000</u>
Total expenditures	<u>174,600</u>	<u>35,871</u>	<u>138,729</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(107,981)</u>	<u>(7,342)</u>	<u>100,639</u>
<b>OTHER FINANCING SOURCES</b>			
Appropriation of prior year fund balance	23,581		(23,581)
Transfers in	<u>84,400</u>	<u>84,400</u>	
Total other financing sources	<u>107,981</u>	<u>84,400</u>	<u>(23,581)</u>
Excess (deficiency) of revenues over expenditures and other financing sources		77,058	77,058
FUND BALANCE, JANUARY 1, 2004	43,166	43,166	
PRIOR PERIOD ADJUSTMENT BUDGET APPROPRIATION	(23,581)		23,581
PRIOR PERIOD ADJUSTMENT - OTHER		<u>2,518</u>	<u>2,518</u>
FUND BALANCE, DECEMBER 31, 2004	<u>\$ 19,585</u>	<u>\$ 122,742</u>	<u>\$ 103,157</u>

CIVIC CENTER  
DEBT SERVICE  
FUND

CHARTER TOWNSHIP OF SPRINGFIELD  
CIVIC CENTER DEBT SERVICE FUND  
BALANCE SHEET  
DECEMBER 31, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 60,858
Taxes receivable	236,148
Due from other funds	<u>91,537</u>
Total assets	<u>\$ 388,543</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 368,092
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FUND BALANCE

20,451

Total liabilities and fund balance	<u>\$ 388,543</u>
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CHARTER TOWNSHIP OF SPRINGFIELD  
CIVIC CENTER DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2004

REVENUES		
Property taxes	\$	368,873
Interest		<u>2,394</u>
Total revenues		<u>371,267</u>
EXPENDITURES		
Debt service		
Principal		140,000
Interest		212,170
Fees		<u>305</u>
Total expenditures		<u>352,475</u>
Excess (deficiency) of revenues over (under) expenditures		18,792
FUND BALANCE, JANUARY 1, 2004		<u>1,659</u>
FUND BALANCE, DECEMBER 31, 2004	\$	<u><u>20,451</u></u>

BRIDGE LAKE  
ROAD  
FUND

CHARTER TOWNSHIP OF SPRINGFIELD  
BRIDGE LAKE ROAD FUND  
BALANCE SHEET  
DECEMBER 31, 2004

ASSETS

ASSETS

Cash and cash equivalents	\$ 57,925
Special assessments receivable	36,442
Due from other funds	<u>4,670</u>
Total assets	<u>\$ 99,037</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 40,607
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FUND BALANCE

	<u>58,430</u>
Total liabilities and fund balance	<u>\$ 99,037</u>



CHARTER TOWNSHIP OF SPRINGFIELD  
 BRIDGE LAKE ROAD FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$ 49,000	\$ 27,230	\$ (21,770)
Special assessments - interest		4,118	4,118
Interest	<u>1,000</u>	<u>749</u>	<u>(251)</u>
Total revenues	<u>50,000</u>	<u>32,097</u>	<u>(17,903)</u>
EXPENDITURES			
Loan - Principal	50,000	42,194	7,806
Loan - Interest	<u>          </u>	<u>3,643</u>	<u>(3,643)</u>
Total expenditures	<u>50,000</u>	<u>45,837</u>	<u>4,163</u>
Excess (deficiency) of revenues over (under) expenditures		(13,740)	(13,740)
FUND BALANCE, JANUARY 1, 2004	80,764	80,764	
PRIOR PERIOD ADJUSTMENT	<u>          </u>	<u>(8,594)</u>	<u>(8,594)</u>
FUND BALANCE, DECEMBER 31, 2004	<u>\$ 80,764</u>	<u>\$ 58,430</u>	<u>\$ (22,334)</u>

TRUST  
AND  
AGENCY  
FUND

CHARTER TOWNSHIP OF SPRINGFIELD  
TRUST AND AGENCY FUND  
BALANCE SHEET  
DECEMBER 31, 2004

ASSETS

ASSETS

Cash and cash equivalents

\$ 117,441

LIABILITIES

LIABILITIES

Due to other funds

\$ 1,482

Due to others – escrow deposits

115,959

Total liabilities

\$ 117,441

CURRENT TAX  
COLLECTION  
FUND

CHARTER TOWNSHIP OF SPRINGFIELD  
CURRENT TAX COLLECTION FUND  
BALANCE SHEET  
DECEMBER 31, 2004

ASSETS

ASSETS

Cash

\$ 1,527,357

LIABILITIES

LIABILITIES

Due to other funds

\$ 808,694

Due to general fund

718,663

Total liabilities

\$ 1,527,357



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February 10, 2005

Charter Township of Springfield  
Honorable Board of Trustees  
12000 Davisburg Road  
Davisburg, Michigan 48350

Dear Honorable Board of Trustees:

During our audit of the Charter Township of Springfield we came across several matters that we would like to discuss with you as part of our audit presentation for the year ending December 31, 2004. As you know the audit included all funds of the Township. The audit also included the Library Fund which is shown as a separate component unit of the Township in the financial statements because they have a separate elected commission and funding.

The matters which we would like to discuss with you are as follows:

1. Cash receipting is done in various areas of the Township such as the Building Department, Fire Department, and Parks and Recreation Department. In most of these circumstances, the individuals receipting monies are also performing related functions such as billing, tracking receivables and issuing permits. There seems to be a lack of segregation of duties. There may also be insurance bonding issues with various individuals receiving money. We understand the current process seems to be the most convenient method for the Township. However, to improve internal controls, we suggest the Township consider the Treasurer's Department receive monies coming directly from outside sources to assist with better segregation of duties.

The Michigan Department of Treasury does allow for other local unit officials other than the Treasurer to receive money. However, it should be limited and permitted only where it is very inconvenient to receive monies in the Treasurer's Department.

This comment is not meant to criticize or accuse any individual of wrongdoing. We are only suggesting the Township review other processes to better segregate duties.

2. In the Trust and Agency Fund there were various escrow accounts which have not had any activity for several months. Since the conclusion of our audit fieldwork, the Supervisor has reviewed and requested that funds be disbursed for accounts who's projects are no longer active.

3. In the Building Department Fund, refunds are coded to revenues as an offset. We recommend a new account be created as a contra revenue account for refunds. This would enable easier reconciliations between the Building Department's Fund and Treasurer's Department.
4. We noticed that donation letters issued by the Parks Department did not include the proper verbiage required by the IRS. We have given the Parks Department a sample letter with the correct verbiage to be used in the future.
5. We were told the Township has a Home Depot Credit Card. The Township does need to adopt a credit card policy even for these types of credit card accounts.
6. We noticed the Parks and Recreation Department allowed a fund raiser be done at the Hart Center for a reduced rate of \$100. This is seen as an unallowed activity by the State of Michigan due to the fact this same discount is not offered to all residents of the Township.
7. Because of the slow down in the state's economy, the Charter Township of Springfield as well as other Townships are feeling the effects in state shared revenue receipts. For the year ended December 31, 2004, state shared revenues accounted for over 38% of the Township's general fund revenues. Also, state shared revenues decreased over 7% from 2003 to 2004. We caution management to continue its conservative attitude toward budgeting in future years for state shared revenues.

We would like to thank the township officials and employees that assisted us during the audit process for their cooperation.

If you should have any questions, comments or concerns please do not hesitate to call us.

This report is intended solely for the information and use of the Board of Trustees and management of the Charter Township of Springfield and is not intended to be and should not be used by anyone other than the specified parties.

*Pfeffer, Hanniford & Palka, P.C.*

PFEFFER, HANNIFORD & PALKA  
Certified Public Accountants



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February 10, 2005

Charter Township of Springfield  
Honorable Library Board Members  
12000 Davisburg Road  
Davisburg, Michigan 48350

Dear Honorable Board Members:

During our audit of the Charter Township of Springfield Library (which is included as a separate component unit of the Township's financial statements because of a separate elected commission and funding) we came across several matters that we would like to discuss with you as part of our audit presentation for the year ending December 31, 2004. The matters are as follows:

1. Checks are being issued to employees of the Library for not taking Health Insurance. The checks are not being run through payroll. These amounts should be paid as payroll checks (all applicable taxes should be paid).
2. Vendor invoices paid by the Library do not have approvals attached to each invoice. We realize the Library Board approves a blanket list of invoices at each meeting, however, we believe for better internal controls, each invoice should be approved with a signature prior to the boards review.
3. During our audit process we found an invoice for flowers paid by the Library. The invoice stated "Sympathy". The State of Michigan considers this an illegal expenditure.
4. The Library uses a credit card, however, the Library Board has not adopted a credit card policy. A credit card policy should be adopted.



5. The Library's financial status is a significant concern. Based on the financial statements for 2004 it is probable the Library's fund balance will be a deficit in 2005 if significant changes are not made. A deficit elimination plan will have to be filed with the State of Michigan if there is a deficit at the end of 2005.

The following is a recap of revenues, expenditures and fund balance over the past four years:

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
REVENUES	\$284,263	\$270,524	\$349,256	\$227,596
EXPENDITURES	<u>305,893</u>	<u>295,150</u>	<u>304,011</u>	<u>225,220</u>
NET	(21,630)	(24,626)	45,245	2,376
BEGINNING FUND BALANCE	<u>42,625</u>	<u>67,251</u>	<u>22,006</u>	<u>19,630</u>
ENDING FUND BALANCE	<u>\$ 20,995</u>	<u>\$ 42,625</u>	<u>\$ 67,251</u>	<u>\$ 22,006</u>

\* The year 2002 includes in the revenue \$88,559 from the sale of real estate.

The Library Board has some tough decisions to make in 2005. Among the options available to curtail a deficit fund balance are:

- Reducing expenditures.
- Increasing revenues – review for additional grants, requesting an increase in millage rate for years after 2005, review for special donations.

We would like to thank the Director and employees of the Library for their assistance during the audit process.

If you should have any questions, comments or concerns please do not hesitate to call us.

This report is intended solely for the information and use of the Library Board and management of the Charter Township of Springfield Library and is not intended to be and should not be used by anyone other than the specified parties.

*Pfeffer, Hanniford & Palka, P.C.*

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